

## **Exhibit D**

Volume: I

Pages: 1-57

Exhibits: 1-7

COMMONWEALTH OF MASSACHUSETTS

Bristol, ss Superior Court

CA No. B05-809

-----X

ANTHONY MENDES and DORIS MENDES,

Plaintiffs,

vs.

CENDANT MORTGAGE,

Defendant.

----- x

DEPOSITION OF DORIS MENDES

September 8, 2006

10:18 a.m.

Foley & Lardner

111 Huntington Street

Boston, Massachusetts

Reporter: Nancy L. LaCivita

<p>1 APPEARANCES:</p> <p>2</p> <p>3 LAW OFFICE OF CHRISTOPHER J. TROMBETTA</p> <p>4 310 North Main Street</p> <p>5 Suite Six</p> <p>6 Mansfield, Massachusetts 02048</p> <p>7 (508) 339-5900</p> <p>8 On Behalf of the Plaintiffs</p> <p>9</p> <p>10 FOLEY &amp; LARDNER</p> <p>11 By Andrew K. Goldstein, Esquire</p> <p>12 111 Huntington Avenue</p> <p>13 Boston, Massachusetts 02199</p> <p>14 (617) 342-4000</p> <p>15 On Behalf of the Defendant</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p>2</p> <p>4</p> <p>1 PROCEEDINGS</p> <p>2 ***</p> <p>3 DORIS MENDES, having been satisfactorily</p> <p>4 identified and duly sworn by the Notary Public, was</p> <p>5 examined and testified as follows:</p> <p>6 ***</p> <p>7 DIRECT EXAMINATION</p> <p>8 BY MR. GOLDSTEIN:</p> <p>9 Q. Would you please state your name.</p> <p>10 A. Doris Mendes.</p> <p>11 Q. Ms. Mendes, my name is Andy Goldstein. I</p> <p>12 represent PHH Mortgage which used to be known as</p> <p>13 Cendant Mortgage and you have filed a lawsuit against</p> <p>14 Cendant Mortgage. Do you understand that?</p> <p>15 A. Yes.</p> <p>16 Q. I'm going to ask you some questions today</p> <p>17 about the facts that give rise to the lawsuit.</p> <p>18 A. Okay.</p> <p>19 Q. If you don't hear a question, please tell me</p> <p>20 and I will repeat it. And if you don't understand a</p> <p>21 question, please tell me you don't understand and I</p> <p>22 will try to rephrase the question so that you do</p> <p>23 understand it.</p> <p>24 A. Okay.</p>
<p>3</p> <p>1 INDEX</p> <p>2 EXAMINATION OF: PAGE</p> <p>3 DORIS MENDES</p> <p>4 By Mr. Goldstein 4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11 EXHIBITS</p> <p>12 NO. PAGE</p> <p>13 1 Copy of Check 44</p> <p>14 2 Copy of Check 44</p> <p>15 3 Copy of Check 45</p> <p>16 4 Copy of Income Tax Return 46</p> <p>17 5 Bank Statements 46</p> <p>18 6 Bank Statements 50</p> <p>19 7 Bank Statements 51</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24 *Original exhibits retained by Andrew K. Goldstein.</p>	<p>5</p> <p>1 Q. If you don't remember the information</p> <p>2 necessary to answer a question, you can say I don't</p> <p>3 remember. That's an acceptable answer. If you don't</p> <p>4 know the answer to a question, say I don't know. That</p> <p>5 is an acceptable answer, too.</p> <p>6 A. Okay.</p> <p>7 Q. I'm only trying to find out what you remember</p> <p>8 today.</p> <p>9 A. Okay.</p> <p>10 Q. If I talk too fast, not only will the court</p> <p>11 reporter tell me to slow down, but you can tell me to</p> <p>12 slow down, too. One of my many faults is sometimes I</p> <p>13 speed up. I always ask witnesses this one question, so</p> <p>14 don't take it personally. Once in a while someone says</p> <p>15 yes. Is there anything that impairs your ability to</p> <p>16 accurately answer questions today?</p> <p>17 A. Depends. Some words if I don't understand, I</p> <p>18 will ask you that.</p> <p>19 Q. Anything else?</p> <p>20 A. No.</p> <p>21 Q. Are you on any medication that impairs your</p> <p>22 ability?</p> <p>23 A. No.</p> <p>24 MR. TROMBETTA: The only thing I do</p>

2 (Pages 2 to 5)

Doris Mendes

09/08/2006

<p>1 want to point out is her primary language is Spanish  2 just so you know that with respect to understanding.  3 I'm not saying it's going to be the easiest thing for  4 her, but if she says she doesn't understand certain  5 words, that is one of the reasons.  6 MR. GOLDSTEIN: I will keep that in  7 mind.  8 Q. If you don't understand a word or a sentence  9 or a question, just tell me. I will try to rephrase  10 it. My Spanish is rusty, so I won't try that. Also,  11 you're going to anticipate the answer to questions that  12 I'm asking, but please try to let me finish the  13 question because the court reporter has a difficult  14 time taking down both of us talking at the same time.  15 She is typing everything we are saying. And also,  16 we're trying to create a record where there is a  17 question and an answer. Now, you understand this  18 lawsuit deals with property on Chilson Avenue in  19 Mansfield?  20 A. Can you repeat the question?  21 Q. This lawsuit you filed against Cendant  22 Mortgage involves a property on Chilson Avenue in  23 Mansfield, correct?  24 A. Yes.</p>	6	<p>1 I'm not telling you what to do.  2 MR. GOLDSTEIN: Well, she said yes to  3 that. So I was curious about that.  4 MR. TROMBETTA: Well, you can ask her,  5 but I don't think she did.  6 Q. Have you ever you, yourself, spoken to anyone  7 at Cendant Mortgage about the lawsuit?  8 A. No.  9 Q. Have you ever spoken to anyone at Cendant  10 Mortgage, as far as you know?  11 A. No.  12 Q. Have you ever spoken with Richard Luongo?  13 A. I don't know. I don't remember.  14 Q. So it's true that your husband Anthony Mendes  15 dealt with Cendant Mortgage in the summer of 2001,  16 correct?  17 A. Yes.  18 Q. And you didn't have any telephone calls with  19 anyone at Cendant Mortgage about trying to obtain a  20 loan to buy the Chilson Avenue property?  21 MR. TROMBETTA: I will object. You can  22 answer.  23 THE WITNESS: Excuse me?  24 MR. TROMBETTA: You can answer the</p>	8
<p>1 Q. Have you ever spoken with anyone at Cendant  2 Mortgage about this lawsuit?  3 A. Yes.  4 Q. Let me rephrase that. That's not what I was  5 expecting.  6 MR. TROMBETTA: I don't think that's  7 what she meant, but anyway.  8 Q. In the summer of 2001, you were attempting to  9 get a loan?  10 A. Yes.  11 Q. To purchase Chilson Avenue, correct?  12 A. Yes.  13 Q. Did you ever speak to anyone at Cendant  14 Mortgage about that loan?  15 A. No. My husband spoke to them.  16 Q. When you said yes a minute ago, what did you  17 mean? I asked you if you had ever spoken to anyone at  18 Cendant Mortgage about the lawsuit and you said yes.  19 A. I didn't understand.  20 MR. TROMBETTA: I think when you say  21 about the lawsuit, I think if you take that out, she  22 may be able to answer the question.  23 MR. GOLDSTEIN: That's what I did.  24 MR. TROMBETTA: But you said it again.</p>	7	<p>1 question.  2 A. Can you repeat the question?  3 Q. Sure. Your attorney will object from time to  4 time if he thinks that I did not properly ask the  5 question, but you still answer the question unless your  6 attorney instructs you otherwise, of course. Let's  7 move on. Let me get your background. Where were you  8 born?  9 A. South America.  10 Q. What country?  11 A. Lima, Peru.  12 Q. At some point you moved to the United States  13 obviously. When was that?  14 A. When what?  15 Q. When did you move to the United States?  16 A. 1977.  17 Q. When were you born?  18 A. 1959.  19 Q. Spanish is your first language?  20 A. Yes.  21 Q. So you moved to the United States when you  22 were eight years old?  23 A. No, 1977.  24 Q. How old were you when you moved to the United</p>	9

3 (Pages 6 to 9)

Doris Mendes

09/08/2006

<p style="text-align: right;">10</p> <p>1 States?</p> <p>2 A. 16, 17.</p> <p>3 Q. When were you born?</p> <p>4 A. 1959.</p> <p>5 Q. Okay. Did you learn English in Peru at all?</p> <p>6 A. No.</p> <p>7 Q. Did you graduate from high school?</p> <p>8 A. In my country, yes.</p> <p>9 Q. Did you get any additional formal education</p> <p>10 beyond high school?</p> <p>11 A. Here?</p> <p>12 Q. Anywhere.</p> <p>13 A. No. I came here and I went to school for</p> <p>14 English classes -- English course.</p> <p>15 Q. Did you go to college?</p> <p>16 A. No.</p> <p>17 Q. Do you have any degrees beyond high school?</p> <p>18 MR. TROMBETTA: Well, I object to that.</p> <p>19 She didn't go to college so --</p> <p>20 MR. GOLDSTEIN: Well, she could have</p> <p>21 some other type of degree. I won't spend a lot of time</p> <p>22 on this.</p> <p>23 MR. TROMBETTA: I don't know if it</p> <p>24 would be a degree, but you can answer the question</p>	<p style="text-align: right;">12</p> <p>1 A. Yes.</p> <p>2 Q. Did you have any other employment in 2001</p> <p>3 besides those two jobs?</p> <p>4 A. After I left the Arbor Hospital, I went to</p> <p>5 another job. It was close to my house.</p> <p>6 Q. What job was that?</p> <p>7 A. I went to Avery Manor in Needham.</p> <p>8 MR. TROMBETTA: I don't mean to object,</p> <p>9 but did you hear what he said about the time period?</p> <p>10 MR. GOLDSTEIN: I was going to go back</p> <p>11 to that.</p> <p>12 Q. In 2001 you were working at Deutsches</p> <p>13 Altenheim and Arbor Hospital?</p> <p>14 A. Yes.</p> <p>15 Q. During 2001 did you have any other</p> <p>16 employment?</p> <p>17 MR. TROMBETTA: Do you understand?</p> <p>18 A. No, I don't understand.</p> <p>19 Q. In 2001 -- beginning from January 2001</p> <p>20 through December 2001 other than these two jobs, did</p> <p>21 you have any other jobs?</p> <p>22 A. The Arbor Hospital.</p> <p>23 Q. I have those two. Was there a third job?</p> <p>24 A. No.</p>
<p style="text-align: right;">11</p> <p>1 anyway.</p> <p>2 A. I don't have a degree. I'm a certified</p> <p>3 nursing assistant.</p> <p>4 Q. Did you go to school for that?</p> <p>5 A. Yes.</p> <p>6 Q. Where?</p> <p>7 A. My job. They gave the class on the job.</p> <p>8 Q. In 2001 what was your employment status?</p> <p>9 Where were you working in 2001?</p> <p>10 A. I was working at the Arbor Hospital and</p> <p>11 Deutsches Altenheim.</p> <p>12 Q. Can you spell that?</p> <p>13 A. D-E-U-T-S-C-H-E-S, A-L-T-E-N-H-E-I-M.</p> <p>14 Q. You were working at Deutsches Altenheim and</p> <p>15 the Arbor Hospital?</p> <p>16 A. Arbor Hospital.</p> <p>17 Q. Are you still working at those two places?</p> <p>18 A. No. I work at Deutsches Altenheim and I am</p> <p>19 working somewhere else.</p> <p>20 Q. For what period of time did you work at the</p> <p>21 Arbor Hospital?</p> <p>22 A. I work almost four years, five years. From</p> <p>23 1998 to almost 2003.</p> <p>24 Q. You're still at Deutsches Altenheim?</p>	<p style="text-align: right;">13</p> <p>1 Q. All right. Are you able to read English?</p> <p>2 A. I can read, but my husband does the most</p> <p>3 reading for me. Sometimes he will try to explain to</p> <p>4 me.</p> <p>5 Q. I want to focus you on 2001 regarding my next</p> <p>6 series of questions. I'm only asking about 2001. What</p> <p>7 bank accounts did you have in 2001?</p> <p>8 A. There was -- I had Metropolitan Credit Union.</p> <p>9 There was Bank of Boston at that time and Fleet.</p> <p>10 Q. That's the same, Fleet and Bank of Boston?</p> <p>11 A. Yes. Boston Five, I think.</p> <p>12 Q. Boston Five?</p> <p>13 A. Yes. Now it is Citizen's Bank.</p> <p>14 Q. Anything else?</p> <p>15 A. I don't remember.</p> <p>16 Q. So I'm not sure I understand. You said Bank</p> <p>17 of Boston Fleet, is that one account?</p> <p>18 A. No. That was different account.</p> <p>19 Q. You had an account at Bank of Boston and</p> <p>20 Fleet?</p> <p>21 A. And Fleet.</p> <p>22 Q. Is Boston Five and Citizen's a different</p> <p>23 account?</p> <p>24 A. No. At that time Boston Five, but now it's</p>

4 (Pages 10 to 13)

Doris Mendes

09/08/2006

14

16

1 Citizen's Bank.  
 2 Q. In 2001 had it already become Citizen's, do  
 3 you know?  
 4 A. No.  
 5 Q. In 2001, did your husband have any bank  
 6 accounts?  
 7 A. I don't remember.  
 8 Q. Does he have any bank accounts now?  
 9 A. No. Right now?  
 10 Q. Yes.  
 11 A. Yes, he have one.  
 12 Q. Where is that account?  
 13 MR. TROMBETTA: I'm just going to  
 14 object to the form based on the way you're asking it  
 15 and it's the way I think she's understanding it. You  
 16 mean an individual account, a joint account?  
 17 Q. You can answer. Where is the account your  
 18 husband currently has?  
 19 A. It's somewhere in Mansfield.  
 20 Q. Do you know what bank?  
 21 A. No, I don't.  
 22 Q. Are you on the account?  
 23 A. No.  
 24 Q. This is his separate account?

1 you know what we do in depositions is we mark documents  
 2 exhibit numbers and this one was already marked at your  
 3 husband's deposition on June 1st as Exhibit 2. I want  
 4 you to take a look at that document and specifically  
 5 the second page, do you know what this document is, the  
 6 second page of Exhibit 2?  
 7 A. This was for the deposit for the house at  
 8 Chilson.  
 9 Q. Let me point out a signature line to you next  
 10 to the word signed about two thirds of the way down.  
 11 Does your signature appear on this document?  
 12 A. Yes.  
 13 Q. Is it below Anthony Mendes' signature?  
 14 A. Yes.  
 15 Q. Did you actually sign your own name to this  
 16 document?  
 17 A. Yes.  
 18 Q. Do you see where it says receipt for deposit?  
 19 MR. TROMBETTA: Where is that?  
 20 MR. GOLDSTEIN: Toward the bottom.  
 21 A. Yes.  
 22 Q. And it says -- it has a date 6/12/01 under  
 23 receipt for deposit. Can you see that?  
 24 A. Yes.

15

17

1 A. Yes.  
 2 Q. The accounts you mentioned for 2001, were  
 3 those your separate accounts?  
 4 A. Yes.  
 5 Q. Do you know if your --  
 6 A. I don't remember -- this is just 16 years,  
 7 15 years ago I think.  
 8 Q. Five years ago.  
 9 A. Sorry?  
 10 Q. 2001.  
 11 A. I have so many accounts and I don't remember.  
 12 Q. I'm just asking what you remember today. I  
 13 have some documents we will go over in a moment.  
 14 A. Okay.  
 15 Q. Just tell me your best recollection.  
 16 MR. GOLDSTEIN: Chris, I didn't bring  
 17 copies of the marked exhibits for you. I thought you  
 18 would bring them.  
 19 MR. TROMBETTA: From Anthony's  
 20 deposition?  
 21 MR. GOLDSTEIN: Yes.  
 22 MR. TROMBETTA: I have them.  
 23 Q. Ms. Mendes, let me show you what was marked  
 24 as Exhibit 2 in Anthony Mendes' deposition. Just so

1 Q. Can you read to me the line below that?  
 2 A. "Received from Anthony and Doris Mendes."  
 3 Q. Can you start from the beginning? I'm not  
 4 sure she heard you.  
 5 A. Which part? Where it says "received from?"  
 6 Q. Yes.  
 7 A. "Received from Anthony and Doris Mendes of  
 8 \$1000."  
 9 Q. Just for the record, the document says  
 10 "Received from Anthony and Doris Mendes buyer the sum  
 11 of \$1000." Do you recall making an offer to purchase  
 12 1-3 Chilson Avenue in Mansfield, Massachusetts?  
 13 A. I don't understand the question.  
 14 Q. Did you make an offer to buy -- strike that.  
 15 In the summer of 2001, you were  
 16 attempting to purchase property with an address  
 17 1-3 Chilson Avenue in Mansfield, Massachusetts,  
 18 correct?  
 19 A. Yes.  
 20 Q. Let's just refer to that as the Chilson  
 21 Avenue property. That might make it easier.  
 22 A. Okay.  
 23 Q. You made an offer to purchase the Chilson  
 24 Avenue property in June of 2001, correct?

5 (Pages 14 to 17)

18

20

1 A. Yes.

2 Q. When you made that offer to purchase, you

3 made a deposit of \$1000, correct?

4 A. Yes.

5 Q. Do you know where the \$1000 deposit came

6 from?

7 A. From my checking account.

8 Q. At what bank?

9 A. I don't remember. I know it's from one

10 checking. I don't remember.

11 Q. Do you remember writing the check?

12 A. Yes.

13 Q. Do you know where you were when you wrote the

14 check?

15 A. We were in the house.

16 Q. Now, is the second page of Exhibit 2 your

17 offer to purchase the Chilson Avenue property? This

18 document, is that your offer to purchase the Chilson

19 Avenue property?

20 A. Yes.

21 Q. Was this offer also filled out in the house?

22 A. Yes, because we had to prove I was getting

23 the loan.

24 Q. That's not what I asked you. I asked you if

1 Q. Do you remember who first showed you the

2 Chilson Avenue property?

3 MR. TROMBETTA: I will object, but you

4 can answer.

5 A. I can answer?

6 MR. TROMBETTA: Yes.

7 A. The lady Paula, my real estate --

8 Q. Do you recall a woman named Paula Duzan?

9 A. Yes.

10 Q. At some point you saw the Chilson Avenue

11 property for the first time, correct?

12 A. Yes.

13 Q. Did Paula Duzan show you the house the first

14 time you saw it?

15 A. Yes.

16 Q. So having answered these questions, do you

17 recall the first time Paula Duzan showed you the

18 property at Chilson Avenue?

19 A. Yes.

20 Q. Do you recall when it was in connection with

21 this offer? In other words, the day before the offer?

22 A. I don't remember.

23 Q. But you do remember that it was in June 2001,

24 correct?

19

21

1 this offer was completed while you were in the house.

2 A. Yes.

3 Q. The date if you look at this offer is

4 June 12, 2001, do you see that?

5 A. Yes.

6 Q. Was that the first day you saw the Chilson

7 Avenue property June 12, 2001?

8 A. We saw the house twice I think. I remember

9 twice.

10 Q. Twice including June 12, 2001?

11 A. I don't remember.

12 Q. When did you first see the house, do you

13 remember?

14 A. No, I don't remember.

15 Q. Do you remember the month?

16 A. It was in June, but I don't remember the day.

17 Q. Do you know if you saw the house on a day

18 before you made this offer to purchase?

19 A. Yes.

20 Q. How many times before the offer to purchase

21 was made had you seen the house?

22 A. I don't remember.

23 Q. Was it more than once you think?

24 A. I don't remember.

1 A. Yes.

2 Q. Had you looked at houses prior to that time?

3 A. Yes.

4 Q. How many, do you recall?

5 A. A few houses. I don't remember how many.

6 Q. Did you make any offers on those houses?

7 A. No.

8 Q. Let me show you what's been marked as

9 Exhibit 3 at Anthony Mendes' deposition. Do you know

10 what Exhibit 3 is?

11 A. No, I don't know.

12 Q. Do you recall ever seeing that before?

13 A. Yes, I saw that.

14 Q. When was the first time you saw that, do you

15 know?

16 A. No, I don't remember.

17 Q. Was it after the lawsuit in this case was

18 filed?

19 A. Can you repeat the question?

20 Q. Was the first time you saw this document

21 after the lawsuit in this case was filed?

22 A. I don't understand.

23 Q. You don't know when you first saw this

24 document, correct?

6 (Pages 18 to 21)

Doris Mendes

09/08/2006

22

24

MR. TROMBETTA: Well, I object.

A. I saw this letter before we purchased the house. We were approved for the loan for the house.

**Q. Before you purchased which house?**

A. No. This is not it. It was to buy the house. We got a loan to buy the house.

**Q. Do you recall what the date of that letter was?**

A. I don't remember.

**Q. By the way, as of June 2001, had you ever purchased any real estate before?**

A. Before, no.

**Q. Let me show you what is marked as Exhibit 6 from Anthony Mendes' deposition. Take a look at that document.**

A. (Witness complies.)

**Q. Do you know what this document is?**

A. This is about the house on Chilson.

**Q. Why don't you turn to the fourth page of the document that was marked as Exhibit 6. Is your signature on this page?**

A. Yes.

**Q. Is it next to Anthony Mendes' signature?**

A. Yes.

23

25

**Q. Did you sign this document yourself?**

A. Yes.

**Q. Turn back to the first page now.**

A. (Witness complies.)

**Q. Do you see at the top of the page where it says "Standard Form Purchase and Sale Agreement?"**

A. Yes.

**Q. Is this a purchase and sale agreement that you signed for the Chilson Avenue property?**

A. Yes.

**Q. Now, I'm going to direct your attention to paragraph seven on page one of what was marked as Exhibit 6 at Anthony Mendes' deposition. Do you see paragraph seven?**

A. Yes.

**Q. Do you see where it says "purchase price?"**

A. Yes.

**Q. Do you see in that same section there is a \$1000 figure?**

A. Yes.

**Q. Would you please read the line below that \$1000 figure?**

A. "8,000."

**Q. Keep going.**

A. Two thousand --

**Q. No. Read right across.**

A. "Sign of purchase and sales agreement."

**Q. Did you make a deposit of \$8000 with this purchase and sale agreement?**

A. Yes.

**Q. How did you make that deposit?**

MR. TROMBETTA: I will object to the form. Do you mean where did the money come?

**Q. How did you make the \$8000 deposit?**

A. My mother gave me a gift.

**Q. How much was the gift?**

A. \$5000.

**Q. What is your mother's name?**

A. Julia Laredo.

**Q. Where did the other \$3000 come from?**

A. I had my savings from my work. I had some money put away. I don't remember. This is -- I'm not going to track all that, you know.

**Q. I just want you to tell me what you remember.**

So we have the \$8000 deposit was -- strike that - the \$8000 deposit included a \$5000 gift from your mother?

A. Yes.

**Q. But you don't recall where the other \$3000**

**came from other than it came from one of your bank accounts?**

A. Yes. I don't remember.

MR. TROMBETTA: Can we just take a short break for a minute because I think she is mixed up?

MR. GOLDSTEIN: I don't want to go off the record at this point.

MR. TROMBETTA: I do.

MR. GOLDSTEIN: I am not agreeing to go off the record.

MR. TROMBETTA: You don't have to agree.

MR. GOLDSTEIN: We are going to stay on the record. I want the court reporter to note the time of this break and that I have not agreed to go off the record at this point. We're on the record and

Mr. Trombetta and Ms. Mendes have left the room.

(Attorney and witness step out at

10:50 a.m.)

MR. GOLDSTEIN: Ms. Mendes and her attorney have returned to the room. The court reporter please note the time they return.

(Attorney and witness return at

7 (Pages 22 to 25)



26

28

1 10:53 a.m.)

2 Q. Ms. Mendes, did you just have a discussion  
3 with your attorney?

4 A. Yes.

5 Q. Did you discuss your testimony?

6 A. No.

7 Q. Did you discuss what you had just said in  
8 response to my questions?

9 A. I was asking about when I don't understand to  
10 ask, you know, like make sure if I don't understand to  
11 ask you again.

12 Q. Did you discuss anything else?

13 A. No.

14 Q. There was nothing else said other than what  
15 you just told me outside in the hallway with your  
16 attorney?

17 A. No.

18 Q. Did you discuss Exhibit 6 which is in front  
19 of you?

20 A. What is this six?

21 Q. Did you discuss that document that is before  
22 you which is Exhibit 6 from Anthony Mendes' deposition?  
23 Did you discuss that document with your attorney in the  
24 hallway?

1 answer. If you don't understand, ask to repeat.

2 Q. Is there any question that you didn't  
3 understand to this point?

4 A. The question you asked me about the money.

5 He said make sure you understand. If you don't  
6 understand, to ask to repeat.

7 Q. Did you understand all my questions about the  
8 money?

9 A. Yes, I understand.

10 Q. Is there anything you want to add to your  
11 testimony regarding the line on the purchase and sale  
12 agreement concerning \$8000 at the signing of the  
13 purchase and sale agreement?

14 A. No.

15 Q. And it's your testimony that your mother gave  
16 you \$5000 so that you could make the \$8000 deposit,  
17 correct?

18 A. She gave me money, the gift \$5000.

19 Q. And that was put toward this \$8000 deposit  
20 you testified, correct?

21 A. Correct. I think so. I don't remember  
22 really, but she gave me a gift of \$5000.

23 Q. When? Before this? As of the time this  
24 purchase and agreement was signed?

27

29

1 A. If we talked about this?

2 Q. Yes.

3 A. I was asking if I don't understand the  
4 question, to make sure to ask if you don't understand.

5 Q. That I understand, but did you discuss any  
6 further during the time you left the room with  
7 Mr. Trombetta anything about the document in front of  
8 you?

9 A. No.

10 Q. Did you discuss the \$8000 deposit with  
11 Mr. Trombetta?

12 A. No.

13 Q. Did you discuss the \$5000 gift from your  
14 mother with Mr. Trombetta during the time you left the  
15 room?

16 A. No.

17 Q. So you left the room for several minutes.  
18 Did you have a discussion with your attorney the entire  
19 time you left the room?

20 A. Yes. I asked when I don't understand, to ask  
21 him.

22 Q. Well, it was your attorney who wanted you to  
23 leave the room.

24 A. He said make sure you understand when you

1 A. I don't remember.

2 Q. Well, you didn't have \$8000 in your bank  
3 accounts to make a deposit, correct?

4 MR. TROMBETTA: Well, I will object to  
5 that, but you can answer the question.

6 A. I don't remember.

7 Q. How did your mother give you this gift of  
8 \$5000? Was it a check?

9 A. I don't remember.

10 Q. Was it cash?

11 A. No. It was a check.

12 Q. Well, you just said you didn't remember if it  
13 was a check; do you remember?

14 A. No, I don't remember.

15 Q. Do you remember if it was cash?

16 A. No, I don't remember.

17 Q. Well, Ms. Mendes, I'm going to go back over  
18 some questions because after the break you have given  
19 some, in my view, answers that are contradictory.

20 MR. TROMBETTA: I don't think her  
21 testimony has changed, to tell you the truth.

22 MR. GOLDSTEIN: Well, do you want to  
23 stipulate she made the \$8000 deposit by getting a gift  
24 of \$5000 from her mother?

Doris Mendes

09/08/2006

30

1 MR. TROMBETTA: I won't stipulate to  
2 anything. She hasn't changed her testimony at all. I  
3 even let her answer those privileged questions.  
4 MR. GOLDSTEIN: I asked a question and  
5 you answered it.  
6 Q. Ms. Mendes, where did the \$8000 for the  
7 deposit under the purchase and sale agreement come  
8 from?  
9 A. From the bank.  
10 Q. And where did you get the funds from the  
11 bank?  
12 A. I got some money and my mother gave me a gift  
13 for \$5000.  
14 Q. Okay. Do you recall how you paid the \$8000?  
15 Was it a money order, treasurer's check, cash, gold  
16 bullion?  
17 A. I don't remember.  
18 Q. At some point you weren't able to purchase  
19 the Chilson Avenue property, correct?  
20 MR. TROMBETTA: Well, I will object to  
21 the form of that question.  
22 Q. You didn't purchase Chilson Avenue, correct?  
23 MR. TROMBETTA: Same objection, but you  
24 can answer.

31

1 A. I don't understand that.  
2 Q. You didn't purchase the Chilson Avenue  
3 property, correct?  
4 A. I don't understand.  
5 Q. You understand what the Chilson Avenue  
6 property is?  
7 A. Yes, it's the house.  
8 Q. You didn't buy it?  
9 A. No.  
10 Q. Did you give your mother back the \$5000?  
11 A. No.  
12 Q. Let me show you what was marked as Exhibit 7  
13 at your husband's deposition. Do you know what this  
14 document is?  
15 A. Yes.  
16 Q. What is it?  
17 A. It's the proof for the loan.  
18 Q. If you turn to the second page, is your  
19 signature at the bottom of the second page?  
20 A. Yes.  
21 Q. Did you sign this document yourself?  
22 A. Yes.  
23 Q. Did you read it before you signed it?  
24 A. I read some, but my husband read all and he

32

1 told me to sign.  
2 Q. I'm not sure I heard your answer. Did you  
3 read it?  
4 A. Yes, but I didn't understand it.  
5 Q. Did you ask anyone to explain it to you?  
6 A. Yes, my husband.  
7 Q. Did you ask anyone else?  
8 A. No.  
9 Q. Did your husband explain it to you?  
10 A. My husband said we got approved for the loan  
11 for the house.  
12 Q. If you look at the second page, please.  
13 A. (Witness complies.)  
14 Q. There is a date next to your signature  
15 8/14/01, do you see that?  
16 A. Yes.  
17 Q. Did you write that yourself?  
18 A. Yes.  
19 Q. Please turn back to the first page.  
20 A. (Witness complies.)  
21 Q. There is a sentence toward the bottom that  
22 begins with the words "customer to provide," do you see  
23 that?  
24 A. Yes.

33

1 Q. Would you please read that sentence?  
2 A. "Customer to provide bank statement. Show  
3 what \$9000 deposit of sales" -- I can't see that --  
4 Q. Is that difficult to read?  
5 A. The light. "Contract name of escrow letter  
6 from attorney."  
7 Q. So let me read that into the record. It says  
8 "Customer to provide bank statement to show where that  
9 \$9000 deposit on sales contract came from and an escrow  
10 letter from attorney." Did you understand that as I  
11 read it?  
12 A. Yes.  
13 Q. Did you ever provide to Cendant Mortgage a  
14 bank statement showing where the \$9000 deposit on the  
15 sales contract came from?  
16 A. I don't remember.  
17 Q. Did you ever provide Cendant Mortgage with an  
18 escrow letter from your attorney?  
19 A. I don't remember.  
20 Q. Do you know what an escrow letter is?  
21 A. No.  
22 Q. Did you understand when you signed this  
23 document that you had to have escrowed two months of  
24 payments for the mortgage?

9 (Pages 30 to 33)

34

1 A. My husband took care of it. I don't  
2 remember.

3 Q. I'm just trying to find out what you know.  
4 Did you ever sign a loan application for Cendant  
5 Mortgage?

6 A. Yes. No. No, I don't remember.

7 Q. Is your answer no or that you don't remember?  
8 A. I don't remember.

9 Q. When you signed this Exhibit 7 from your  
10 husband's deposition, did you understand that there  
11 were conditions to this final commitment?

12 A. No. I only understood I would get the loan.

13 Q. Did you understand you had to fulfill certain  
14 conditions before you got the loan?

15 A. No. I only understood I was getting the  
16 loan.

17 Q. Let's go over the next line item below what  
18 you just attempted to read where it says "Customer to  
19 provide" — where it says "Customer to provide bank  
20 statements," et cetera.

21 A. Yes.

22 Q. Did you have difficulty reading that?  
23 A. The bottom one?  
24 Q. Let's stick with the first line. Did you

35

1 have difficult reading the line that begins with the  
2 words "Customer to provide bank statement." Do you  
3 understand the question?

4 A. No, I don't.

5 Q. I'm asking if this is difficult for you to  
6 read.

7 A. If I can read this letter?

8 Q. Yes, can you read this?  
9 A. Yes. I can read this.

10 Q. Is it difficult?  
11 A. Sometimes I don't understand some parts.

12 Q. Let me read the next line beginning with the  
13 word "appraiser," do you see that?

14 A. Yes.

15 Q. It says "Appraiser to provide the net market  
16 rental for all three units for the area to evidence  
17 that PITI does not exceed 75 percent of the market  
18 rental, open paren. Also to obtain additional income  
19 to lower ratios, close paren."  
20 A. I don't understand that.

21 Q. So do you know if that condition was  
22 fulfilled?

23 MR. TROMBETTA: I object.  
24 MR. GOLDSTEIN: I just have to ask the

36

1 question.

2 A. I don't understand what PITI is. I know I  
3 was getting the loan.

4 Q. Do you know where you were when you signed  
5 this document?

6 A. I don't remember.

7 Q. All right. I'm going to show you what was  
8 marked as Exhibit 10 at your husband's deposition. Do  
9 you recognize Exhibit 10 — strike that.

10 Do you know what Exhibit 10 is?

11 A. No.

12 Q. Is your signature on Exhibit 10?  
13 A. Yes.

14 Q. At some point was the closing on the Chilson  
15 Avenue property delayed?

16 A. Excuse me?

17 Q. Do you see at the top of Exhibit 10 where it  
18 says "extension for time of closing?"

19 A. Yes.

20 Q. And this document concerns the Chilson Avenue  
21 property, correct?

22 A. Yes.

23 Q. Was there an extension for the closing date  
24 of the Chilson Avenue property?

37

1 A. I don't remember.

2 Q. Do you know why Exhibit 10 was signed by  
3 you — strike that.

4 Do you know why you signed Exhibit 10?

5 A. My husband told me to sign.

6 Q. Did he tell you what it was for?  
7 A. No, he told me to sign.

8 Q. Let me show you what was marked as  
9 Exhibit 11 at your husband's deposition. Actually, let  
10 me have that back. Did you pay an application fee for  
11 Cendant Mortgage for your loan?

12 A. I don't remember.

13 Q. Do you remember paying a \$350 fee for the  
14 loan?

15 A. I don't remember. My husband took care of  
16 that.

17 Q. Did you have a Visa account in June of 2001?  
18 A. Yes, I had a Visa.

19 Q. Do you recall a charge of \$350 to that  
20 account for a loan application to Cendant Mortgage?

21 A. Yes. I don't remember. I used my card, yes.

22 Q. Let me show you what was marked as Exhibit 26  
23 to your deposition.

24 MR. TROMBETTA: Anthony's deposition.

Doris Mendes

09/08/2006

<p style="text-align: right;">38</p> <p>1 MR. GOLDSTEIN: I'm sorry. To Anthony 2 Mendes' deposition. Thank you. 3 Q. Do you know what this document is? 4 A. It's an application. 5 Q. Is that your loan application? 6 A. Yes. 7 Q. Now, on the last page of Exhibit 26 from your 8 husband's deposition is an area labeled "borrower's 9 signature and co-borrower's signature" which is not 10 signed. Did you ever sign this application or form of 11 it? 12 MR. TROMBETTA: I will object. 13 A. I don't remember. 14 Q. Did you have any retirement savings in the 15 June, August, 2001 time frame? 16 A. I had my 401K. 17 Q. Who was that with? 18 A. My job I had at Deutsches Altenheim. 19 Q. How much was in the 401K? 20 A. Around \$7000. 21 MR. GOLDSTEIN: Has documentation 22 regarding that been produced; do you know? 23 MR. TROMBETTA: Concerning? 24 MR. GOLDSTEIN: The \$7000 in the 401K.</p>	<p style="text-align: right;">40</p> <p>1 A. Right now maybe \$23,000. 2 Q. How much have you borrowed? 3 A. \$3000. 4 Q. What was that for? 5 A. To fix my house. 6 Q. At some point you found out you weren't going 7 to buy Chilson Avenue, correct? 8 A. I always thought I was going to get the 9 house. 10 Q. Excuse me? 11 A. I always thought I was going to get the 12 house. 13 Q. At some point you weren't able to buy it, 14 correct? 15 A. I always thought I was getting the house. 16 Q. Maybe you're not understanding my question. 17 At some point you started to look for another house -- 18 strike that. 19 You didn't buy Chilson Avenue, correct? 20 A. No. 21 Q. And you went to look for another house? 22 A. Yes. 23 Q. And you ended up buying a property on School 24 Street in Mansfield?</p>
<p style="text-align: right;">39</p> <p>1 MR. TROMBETTA: I don't know. I 2 thought we produced all the documents. Didn't you get 3 bank documents, too? 4 MR. GOLDSTEIN: I think I have those. 5 Let's continue. 6 Q. You had \$7000 in a 401K approximately, 7 correct? 8 A. Yes. 9 Q. Did you have any other retirement savings? 10 A. No. 11 Q. Other than your bank accounts -- so putting 12 bank accounts aside and the approximately \$7000 in a 13 401K, did you have any other assets in the June, 14 August 2001 time period? 15 A. No. 16 Q. Do you know if your husband did? 17 A. I don't remember. 18 Q. Do you still have a 401K? 19 A. Yes. 20 Q. Have you ever cashed it in? 21 A. Have I ever cashed it in? Yes. 22 Q. When did you cash it in? 23 A. I didn't cash it in. I just borrowed money. 24 Q. How much do you have in your 401K now?</p>	<p style="text-align: right;">41</p> <p>1 A. Yes. 2 Q. Did you look at any other houses other than 3 the School Street property? 4 MR. TROMBETTA: You meaning after 5 Chilson Street? 6 MR. GOLDSTEIN: Yes. 7 A. Yes. I saw a couple of houses. I remember a 8 couple. 9 Q. Do you know what kind of houses they were? 10 Were they two family, three family, single family? 11 A. I don't remember. 12 Q. Chilson Avenue, was that a one family or two 13 family or three family? 14 A. Which one, Chilson Avenue? 15 Q. Yes. 16 A. It was three family. 17 Q. What is the School Street property? 18 A. One family. 19 Q. Did you want to buy a multi-family house 20 after the Chilson Avenue property fell through? 21 A. Can you repeat the question? 22 Q. Why didn't you buy a multi-family house? 23 A. Because I didn't like some houses that I saw. 24 That's why I didn't get a two family.</p>

11 (Pages 38 to 41)

Doris Mendes

09/08/2006

42

1 Q. When you were looking to buy the Chilson  
2 Avenue property, that was a multi-family house,  
3 correct?  
4 A. Yes.  
5 Q. And you were willing to buy that house,  
6 correct?  
7 A. Yes.  
8 Q. And then after that, why didn't you just keep  
9 looking for a multi-family house that you liked?  
10 MR. TROMBETTA: Well, I object. I  
11 think she may have answered that question.  
12 MR. GOLDSTEIN: I'm not sure.  
13 Q. Why didn't you just keep on looking for  
14 another multi-family house that you liked?  
15 A. Because I didn't like the way they looked  
16 inside, the houses.  
17 Q. Isn't it true you could have kept on looking  
18 for another multi-family house instead of buying School  
19 Street?  
20 A. No, because I was ready to move out. That is  
21 why I was looking fast.  
22 Q. Move out of where?  
23 A. Where I was living on Bridge Street.  
24 Q. In Dedham?

43

1 A. Yes.  
2 Q. You didn't have to move out, did you?  
3 A. Yes.  
4 Q. You had to move out of that property?  
5 A. Yes.  
6 Q. Why?  
7 A. Because my kids wanted their own bedrooms. I  
8 was living with my parents.  
9 Q. Your parents would have let you keep living  
10 there, correct?  
11 A. Right, but I didn't want to live in there  
12 anymore.  
13 MR. GOLDSTEIN: Chris, I just got some  
14 documents the other day. So I will have to make copies  
15 of them, but you may not be even want them all. They  
16 are additional bank documents.  
17 MR. TROMBETTA: If you can send them  
18 along, that would be helpful.  
19 MR. GOLDSTEIN: I may use some today.  
20 So if you want to look through them before I discuss  
21 them with the witness, that is fine.  
22 MR. TROMBETTA: Do you have copies for  
23 me?  
24 MR. GOLDSTEIN: I do. Just let me

44

1 know. Let's mark this as the first exhibit today.  
2 (Exhibit No. 1 marked for  
3 identification.)  
4 Q. Ms. Mendes, do you recognize the document  
5 marked as Exhibit 1?  
6 A. Yes.  
7 Q. What is that?  
8 A. A check.  
9 Q. Is that from your account?  
10 A. Yes.  
11 Q. At Citizen's Bank?  
12 A. Yes.  
13 MR. GOLDSTEIN: Let's mark this as  
14 Exhibit 2.  
15 (Exhibit No. 2 marked for  
16 identification.)  
17 Q. Do you recognize what Exhibit 2 is?  
18 A. Yes.  
19 Q. Is that a check you wrote for an inspection  
20 of the Chilson Avenue property?  
21 A. Yes.  
22 Q. Now, earlier today you mentioned that you had  
23 a Boston Five account that changed to a Citizen's Bank  
24 account?

45

1 A. Yes.  
2 Q. Looking at these documents, does that refresh  
3 your recollection as of June 2001 you had accounts at  
4 Citizen's Bank?  
5 A. Yes.  
6 Q. At the time you had accounts at Citizen's  
7 Bank, you didn't have additional accounts at Boston  
8 Five, correct?  
9 A. They changed.  
10 Q. Anything you had at Boston Five became  
11 Citizen's?  
12 A. Yes.  
13 MR. GOLDSTEIN: Let's have this marked  
14 as Exhibit 3.  
15 (Exhibit No. 3 marked for  
16 identification.)  
17 Q. Do you recognize Exhibit 3?  
18 A. Yes.  
19 Q. What is Exhibit 3?  
20 A. It's a checkbook - checking.  
21 Q. Exhibit 3, is that a check from Pedro Laredo  
22 and Marguerite Laredo?  
23 A. Yes.  
24 Q. To you for \$1500?

12 (Pages 42 to 45)

Doris Mendes

09/08/2006

<p style="text-align: right;">46</p> <p>1 A. Yes.</p> <p>2 Q. Do you know what that was for?</p> <p>3 A. I lent them money and he paid me the money.</p> <p>4 Q. All right.</p> <p>5 (Exhibit No. 4 marked for</p> <p>6 identification.)</p> <p>7 Q. I'm showing you what has been marked</p> <p>8 Exhibit 4. Do you know what that document is?</p> <p>9 A. Income tax.</p> <p>10 Q. Is that your income tax refund for 2000 --</p> <p>11 strike that.</p> <p>12 Is that the income tax return you</p> <p>13 received in 2001?</p> <p>14 A. \$500.</p> <p>15 Q. I understand the amount. Is that the check</p> <p>16 you received as a refund in 2001?</p> <p>17 A. Yes.</p> <p>18 Q. Okay.</p> <p>19 MR. GOLDSTEIN: Can I have this marked</p> <p>20 as the next exhibit.</p> <p>21 (Exhibit No. 5 marked for</p> <p>22 identification.)</p> <p>23 Q. Let me show you what's been marked as</p> <p>24 Exhibit 5. Do you know what these documents are? And</p>	<p style="text-align: right;">48</p> <p>1 A. Where is that? Okay.</p> <p>2 Q. I'm just trying to understand how you read</p> <p>3 the statement. Do you know what that refers to shared</p> <p>4 account previous balance?</p> <p>5 A. The balance of the account.</p> <p>6 Q. Is that some sort of gift account?</p> <p>7 A. What?</p> <p>8 Q. What is that account?</p> <p>9 A. Christmas club.</p> <p>10 Q. That's the Christmas club?</p> <p>11 A. Yes.</p> <p>12 Q. Let me make sure we're on the same thing. It</p> <p>13 says one share account --</p> <p>14 A. The savings and this is Christmas club.</p> <p>15 Q. I'm just trying to figure out the statement.</p> <p>16 So where it says "one share account previous balance"</p> <p>17 and then it has a balance of \$273.70, do you see that?</p> <p>18 A. Yes.</p> <p>19 Q. What is that for? Is that for a savings</p> <p>20 account?</p> <p>21 A. Yes.</p> <p>22 Q. Below that it has "payroll deduction?"</p> <p>23 A. Which one?</p> <p>24 Q. Let's do it this way: Do you see underneath</p>
<p style="text-align: right;">47</p> <p>1 you should feel free to look through the whole</p> <p>2 document.</p> <p>3 MR. GOLDSTEIN: While the witness is</p> <p>4 looking through the document, if you want to stipulate</p> <p>5 to any of this, let me know to move things along.</p> <p>6 A. Yes.</p> <p>7 Q. Do you know what these documents are?</p> <p>8 A. This is Metropolitan Credit Union. This is a</p> <p>9 savings and a Christmas Club and a loan I have with</p> <p>10 them.</p> <p>11 Q. These are bank statements for your accounts</p> <p>12 at the Metropolitan Credit Union?</p> <p>13 A. Yes.</p> <p>14 Q. Why don't you turn to the statement for</p> <p>15 June 30 -- actually June 1st to June 30, 2001. Let me</p> <p>16 know when you are there.</p> <p>17 A. June what?</p> <p>18 Q. June 1st to June 30th, 2001. So I just want</p> <p>19 to have you go through this statement. There is a line</p> <p>20 that says "2001 dividends earned." Do you see that?</p> <p>21 \$8.91.</p> <p>22 A. Okay.</p> <p>23 Q. And then below that, it has "share account</p> <p>24 previous balance." Do you see that?</p>	<p style="text-align: right;">49</p> <p>1 the \$8.91 there is an entry for \$35?</p> <p>2 A. Yes. It was doing direct deposit.</p> <p>3 Q. These are direct deposits of \$35 into a</p> <p>4 savings account?</p> <p>5 A. Yes.</p> <p>6 Q. Is the number on the far right-hand column in</p> <p>7 the top portion of the statement where it says \$273.70,</p> <p>8 \$308.70, \$343.70, is that the balance?</p> <p>9 A. Yes. There was a balance.</p> <p>10 Q. That is for a savings account, correct?</p> <p>11 A. Yes.</p> <p>12 Q. Look below that, there is a number five and</p> <p>13 it says "Christmas club."</p> <p>14 A. Yes.</p> <p>15 Q. Then there is a series of \$15 deposits?</p> <p>16 A. Yes.</p> <p>17 Q. That is for a Christmas club?</p> <p>18 A. Yes.</p> <p>19 Q. Then, again, the far right-hand column under</p> <p>20 that section there is a series of numbers, \$544.18,</p> <p>21 \$559.18, \$574.18, \$589.18 and \$590.30. That's the</p> <p>22 balance of your Christmas Club?</p> <p>23 A. Yes.</p> <p>24 Q. Then there is a -- looks like a separate</p>

13 (Pages 46 to 49)

Doris Mendes

09/08/2006

<p style="text-align: right;">50</p> <p>1 account?</p> <p>2 A. That was a loan.</p> <p>3 Q. That was a loan?</p> <p>4 A. Yes.</p> <p>5 Q. Do you see the figure in the far right-hand</p> <p>6 corner?</p> <p>7 A. They were taking \$100 from my checking to pay</p> <p>8 this loan.</p> <p>9 Q. What is the loan balance on this statement?</p> <p>10 A. Now?</p> <p>11 Q. Well, as of this statement. What was the</p> <p>12 loan balance as of this statement?</p> <p>13 A. \$2,961.</p> <p>14 Q. Dollars?</p> <p>15 A. Yes, and 79 cents.</p> <p>16 MR. GOLDSTEIN: Let's mark this as the</p> <p>17 next document.</p> <p>18 (Exhibit No. 6 marked for</p> <p>19 identification.)</p> <p>20 Q. Ms. Mendes, I'm going to show you what has</p> <p>21 been marked as Exhibit 6, and it's a multi-page</p> <p>22 document, and I'm going to ask you what these documents</p> <p>23 are. We can take a break so I can take care of some</p> <p>24 business. I will be back in two minutes.</p>	<p style="text-align: right;">52</p> <p>1 MR. TROMBETTA: Based on your</p> <p>2 representation I will.</p> <p>3 MR. GOLDSTEIN: I will try to get you</p> <p>4 out of here in the next few minutes as you requested.</p> <p>5 Q. Ms. Mendes, looking at Exhibit 7 --</p> <p>6 A. Yes.</p> <p>7 Q. Look at the first page.</p> <p>8 A. Yes.</p> <p>9 Q. There is a reference to a checking account</p> <p>10 and savings account. Do you see that?</p> <p>11 A. Yes.</p> <p>12 Q. Then there is a loan balance account?</p> <p>13 A. Yes.</p> <p>14 Q. In the summer of 2001, did you have any other</p> <p>15 accounts at Citizen's Bank?</p> <p>16 A. Fleet.</p> <p>17 Q. Just at Citizen's Bank.</p> <p>18 A. Checking and saving.</p> <p>19 Q. Those are the only two accounts you had at</p> <p>20 Citizen's Bank?</p> <p>21 A. I don't remember.</p> <p>22 Q. Well, we have before us and I will represent</p> <p>23 that I subpoenaed from Citizen's Bank, Metropolitan</p> <p>24 Credit Union and Fleet or its successor Bank of America</p>
<p style="text-align: right;">51</p> <p>1 MR. GOLDSTEIN: If you want to</p> <p>2 stipulate as to what these are, I believe that would</p> <p>3 save some time, but let me know when I get back.</p> <p>4 (Recess taken.)</p> <p>5 BY MR. GOLDSTEIN:</p> <p>6 Q. Let's go back on the record. Ms. Mendes, do</p> <p>7 you know what Exhibit 6 is?</p> <p>8 A. It's my account.</p> <p>9 Q. Where?</p> <p>10 A. This is Fleet, I think.</p> <p>11 Q. These are statements from your Fleet bank</p> <p>12 account?</p> <p>13 A. Yes.</p> <p>14 MR. GOLDSTEIN: Let's mark these as the</p> <p>15 next exhibit which will be 7.</p> <p>16 (Exhibit No. 7 marked for</p> <p>17 identification.)</p> <p>18 MR. GOLDSTEIN: I will represent at</p> <p>19 Mr. Trombetta's request that I got all of the bank</p> <p>20 statements marked as Exhibits 5, 6 and 7 from the banks</p> <p>21 directly pursuant to a subpoena. Will you represent</p> <p>22 that Exhibit 7 -- will you stipulate that Exhibit 7 is</p> <p>23 bank statements from Ms. Mendes' Citizen's bank</p> <p>24 accounts?</p>	<p style="text-align: right;">53</p> <p>1 all of your accounts for 2001 statements and what's</p> <p>2 been produced by those banks are Exhibits 5 through 7.</p> <p>3 So we have an account at the Metropolitan Credit Union?</p> <p>4 A. Yes.</p> <p>5 Q. We have accounts at --</p> <p>6 A. Fleet.</p> <p>7 Q. And we have accounts at Citizen's Bank --</p> <p>8 A. Yes.</p> <p>9 Q. -- In 2001. Do you recall any other bank</p> <p>10 accounts you had in 2001?</p> <p>11 A. I don't remember.</p> <p>12 Q. Is it true that your main checking account</p> <p>13 was at Citizen's Bank in 2001?</p> <p>14 A. Yes.</p> <p>15 Q. And that is generally where you wrote checks</p> <p>16 from to pay bills, correct?</p> <p>17 A. Yes.</p> <p>18 Q. Do you remember if your husband had any bank</p> <p>19 accounts -- strike that. I will withdraw that.</p> <p>20 Other than the bank accounts reflected</p> <p>21 in Exhibits 5 through 7 and your 401K and the \$5000</p> <p>22 gift from your mother, did you have any other assets in</p> <p>23 2001. Do you understand the question?</p> <p>24 A. Yes. I don't remember.</p>

14 (Pages 50 to 53)

Doris Mendes

09/08/2006

<p style="text-align: right;">54</p> <p>1 Q. Did you have a car in 2001?</p> <p>2 A. Yes. I had a car.</p> <p>3 Q. Did you have a loan for that car?</p> <p>4 A. Yes.</p> <p>5 Q. Who was the loan to in 2002?</p> <p>6 A. I don't remember. I know I had a loan.</p> <p>7 Q. Is it the same car you have now?</p> <p>8 A. No.</p> <p>9 Q. What was the car back then?</p> <p>10 A. Mitsubishi Montero.</p> <p>11 Q. What year was it?</p> <p>12 A. 1995.</p> <p>13 Q. Who did you buy it from -- strike that. Who</p> <p>14 was the loan from?</p> <p>15 A. I don't remember.</p> <p>16 Q. Do you know what the loan payments were?</p> <p>17 A. The loan payment was 334, I think. I don't</p> <p>18 remember. 300 and something.</p> <p>19 Q. Do you know what payments in 2001 to Cross</p> <p>20 Country Bank were for?</p> <p>21 A. I don't remember.</p> <p>22 Q. Do you know what the payments to the</p> <p>23 Metropolitan Credit Union in 2001 may have been for?</p> <p>24 A. That was for my loan \$100.</p>	<p style="text-align: right;">56</p> <p>1 CERTIFICATE</p> <p>2 I, DORIS MENDES, do hereby certify that</p> <p>3 I have read the foregoing transcript of my testimony,</p> <p>4 and further certify that said transcript is a true and</p> <p>5 accurate record of said testimony (with the exception</p> <p>6 of the following corrections listed below:)</p> <p>7 Page Line Correction</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18 Signed under the pains and penalties of perjury this</p> <p>19 day of , 2006.</p> <p>20</p> <p>21</p> <p>22 DORIS MENDES</p> <p>23</p> <p>24</p>
<p style="text-align: right;">55</p> <p>1 Q. How about payments to FCNB processing center?</p> <p>2 A. I don't know. What is that? I don't</p> <p>3 remember.</p> <p>4 Q. Do you recall making payments in 2001 to</p> <p>5 Fleet Credit Card Services?</p> <p>6 A. Yes. That's a credit card.</p> <p>7 Q. Do you know what a payment in 2001 to Premier</p> <p>8 Insurance Company would have been for?</p> <p>9 A. That's for the car insurance.</p> <p>10 Q. Was your car loan with Metropolitan Credit</p> <p>11 Corporation?</p> <p>12 A. My car loan?</p> <p>13 Q. Yes.</p> <p>14 A. No.</p> <p>15 MR. GOLDSTEIN: I don't have any other</p> <p>16 questions.</p> <p>17 (Whereupon the deposition was concluded</p> <p>18 at 11:51 a.m.)</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p style="text-align: right;">57</p> <p>1 COMMONWEALTH OF MASSACHUSETTS)</p> <p>2 )</p> <p>3 SUFFOLK, SS. )</p> <p>4</p> <p>5 I, Nancy L. Lacivita, Professional</p> <p>6 Shorthand Reporter and Notary Public in and for the</p> <p>7 Commonwealth of Massachusetts, do hereby certify that</p> <p>8 DORIS MENDES, the witness whose deposition is</p> <p>9 hereinbefore set forth, was duly sworn by me, and that</p> <p>10 such deposition is a true record of the testimony given</p> <p>11 by such witness.</p> <p>12 I further certify that I am neither</p> <p>13 related to or employed by any of the parties in or</p> <p>14 counsel to this action, nor am I financially interested</p> <p>15 in the outcome of this action.</p> <p>16 IN WITNESS WHEREOF, I have hereunto set</p> <p>17 my hand and Notarial Seal this 14th day of September,</p> <p>18 2006.</p> <p>19</p> <p>20</p> <p>21 Nancy L. LaCivita</p> <p>22 Notary Public</p> <p>23 My commission expires:</p> <p>24 February 9, 2012</p>

15 (Pages 54 to 57)



## **Exhibit E**

<p style="text-align: right;">Page 1</p> <p>COMMONWEALTH OF MASSACHUSETTS BRISTOL, SS. SUPERIOR COURT DEPT. CIVIL ACTION NO. B05-809</p> <p>Anthony Mendes and Doris Mendes, Plaintiffs, Oral Deposition of vs. Richard J. Luongo, Jr. Cendant Mortgage Corporation, Defendant.</p> <hr/> <p style="text-align: center;">* * * * *</p> <p style="text-align: center;">Wednesday, July 12, 2006 * * * * *</p> <p>Transcript in the above matter taken at the offices of Mastroianni &amp; Fornaroli, Certified Shorthand Reporters, 251 White Horse Pike, Audubon, New Jersey, commencing at 11:20 a.m.</p> <p>APPEARANCES:</p> <p>CHRISTOPHER J. TROMBETTA, ESQUIRE 310 NORTH MAIN STREET MANSFIELD, MASSACHUSETTS 02048 (508) 339-5900 Attorney for Plaintiffs (VIA TELEPHONE)</p> <p>FOLEY &amp; LARDNER, ESQUIRES BY: ANDREW GOLDSTEIN, ESQUIRE 111 HUNTINGTON AVENUE BOSTON, MASSACHUSETTS 02199 (617) 342-4000 Attorney for Defendant</p> <p>SOUND DEPOSITION SERVICES 400 Oceangate Plaza, #400 Long Beach, California 90802 888-29-SOUND</p>	<p style="text-align: right;">Page 3</p> <p>EXHIBITS</p> <p>EXHIBITS RETAINED BY COUNSEL - NOT ATTACHED</p> <p>EXHIBIT INDEX</p> <p>Appears at the conclusion of the transcript</p>
<p style="text-align: right;">Page 2</p> <p>WITNESS INDEX</p> <p>Examination of Mr. Luongo by Mr. Goldstein: Page 4, 118</p> <p>Examination of Mr. Luongo by Mr. Trombetta: Page 66</p>	<p style="text-align: right;">Page 4</p> <p>(RICHARD J. LUONGO, JR., having been duly sworn, was examined and testified as follows:)</p> <p>(EXAMINATION OF MR. LUONGO BY MR. GOLDSTEIN:)</p> <p>Q. Would you, please, state your name for the record?</p> <p>A. Richard J. Luongo, Jr.</p> <p>Q. What is your home address?</p> <p>A. 1318 Stonehenge Drive, Williamstown, New Jersey 08094.</p> <p>Q. Mr. Luongo, we're here in an action brought by Anthony Mendes and Doris Mendes versus Cendant Mortgage Corporation, which is now PHH Mortgage Corporation, and the action is currently pending in the Federal Court in Massachusetts, although, it was initiated in the State Court of Massachusetts.</p> <p>So today I'm here to ask you questions about facts that you know about the lawsuit, and I always give witnesses some preliminary instructions before I start asking question and that's what I'm going to do now.</p> <p>If you don't understand a question, please, tell me that you don't understand it and I'll try and rephrase it so that hopefully you do understand it.</p>

2 (Pages 5 to 8)

Page 5	Page 7
<p>1 If you don't hear a question, tell me</p> <p>2 that you didn't hear the question and I'll try to</p> <p>3 speak louder.</p> <p>4 One of my faults is that I speak too</p> <p>5 quickly sometimes, so if I speak too quickly you can</p> <p>6 tell me to slow down, I won't take it personally.</p> <p>7 If you don't remember the information</p> <p>8 necessary to answer a question, that's a perfectly</p> <p>9 fine answer. If you don't remember or you don't</p> <p>10 recall or if you don't know an answer saying I don't</p> <p>11 know is an acceptable answer.</p> <p>12 Now, often you're going to anticipate</p> <p>13 the answer to a question, and if you do just, please,</p> <p>14 let me know finish the question because the court</p> <p>15 reporter, as you can see, is taking down everything</p> <p>16 that you say and she will have a difficult time</p> <p>17 typing the conversations of two people at one time.</p> <p>18 Now, there is a question I ask every</p> <p>19 witness and, in fact, some witnesses have answered</p> <p>20 yes to the question, so I just like to get it on</p> <p>21 record, so don't take this personally, but is there</p> <p>22 anything that impairs your ability to give accurate</p> <p>23 testimony today?</p> <p>24 A. No.</p> <p>25 Q. Is there any -- are you on any</p>	<p>1 A. How would you put it -- I worked with</p> <p>2 self-propelled Howitzers, actually, became an ammo</p> <p>3 team chief.</p> <p>4 Q. Nothing to do with real estate?</p> <p>5 A. Nothing to do with real estate.</p> <p>6 Q. Okay.</p> <p>7 A. Unless you wanted a house demolished.</p> <p>8 Q. And were you honorably discharged?</p> <p>9 A. Yes.</p> <p>10 Q. And after you were discharged in 1994</p> <p>11 what did you do?</p> <p>12 A. I worked for the Burns Cole Corporation,</p> <p>13 I was a sales rep, sales and leasing representative</p> <p>14 for Pontiac GMC division.</p> <p>15 Q. For what period of time?</p> <p>16 A. I believe until November 1997 --</p> <p>17 Q. And --</p> <p>18 A. -- when I had the opportunity to go to</p> <p>19 Cendant Mortgage?</p> <p>20 Q. And for what period of time were you</p> <p>21 with Cendant Mortgage?</p> <p>22 A. I was with them from 1997 until 2002.</p> <p>23 Q. Did you have any formal -- well, strike</p> <p>24 that.</p> <p>25 What was your position at Cendant</p>
Page 6	Page 8
<p>1 medication that impairs your ability to give accurate</p> <p>2 testimony today?</p> <p>3 A. No.</p> <p>4 Q. All right.</p> <p>5 I just want to briefly go over your</p> <p>6 educational background and your employment history,</p> <p>7 so -- I like to get a starting point.</p> <p>8 When did you graduate from high school?</p> <p>9 A. 1989.</p> <p>10 Q. Okay.</p> <p>11 And after graduating from high school</p> <p>12 did you go on to get any further formal education?</p> <p>13 A. I was in the military, United States</p> <p>14 Army.</p> <p>15 Q. For what period of time?</p> <p>16 A. From 1988 to 1994.</p> <p>17 Q. Okay.</p> <p>18 So you graduated from high school while</p> <p>19 in the Army?</p> <p>20 A. My junior year of high school I went to</p> <p>21 basic training right for the summer and I came back,</p> <p>22 finished my senior year and my AIT training and that</p> <p>23 was it.</p> <p>24 Q. Okay.</p> <p>25 What did you do in the Army?</p>	<p>1 Mortgage?</p> <p>2 A. I was a loan consultant originator and</p> <p>3 became a senior loan consultant.</p> <p>4 Q. When did you become a senior loan</p> <p>5 consultant?</p> <p>6 A. Around the 2000 -- '99, 2000 area.</p> <p>7 Q. Okay.</p> <p>8 Certainly by January 1, 2001?</p> <p>9 A. Yes.</p> <p>10 Q. And as a senior loan consultant would</p> <p>11 you supervise other loan consultants or originators?</p> <p>12 A. I helped out other consultants, helped</p> <p>13 train them, there would be times where a lot of new</p> <p>14 consultants would come and they use the word or</p> <p>15 terminology shadow where they were connected into my</p> <p>16 headset and they could listen to actual conversations</p> <p>17 with myself and the customer and see how I worked the</p> <p>18 computer, the questions I asked, there were times I</p> <p>19 would actually sit with them and direct them how to</p> <p>20 give information to a customer and was also to -- it</p> <p>21 was nothing about the types of -- how many deals you</p> <p>22 get in or so to make senior loan consultant, it was</p> <p>23 about customer satisfaction, being thorough and</p> <p>24 having the right information, explaining things to</p> <p>25 customers, and there was a lot of -- there weren't</p>

Page 9	Page 11
<p>1 very many senior loan consultants, it was a very hard 2 task to get.</p> <p>3 MR. TROMBETTA: I'm sorry, I didn't get 4 the end of that response.</p> <p>5 THE WITNESS: It was very hard to 6 become a senior loan consultant, it wasn't something 7 that was just handed out, there was just a handful of 8 people who were senior loan consultants, and to me it 9 was an honor to achieve that.</p> <p>10 BY MR. GOLDSTEIN:</p> <p>11 Q. You mentioned training, so when you 12 initially started at Cendant were you trained as a 13 loan consultant or originator?</p> <p>14 A. Yes, when I first got to Cendant we went 15 through training for seven months, it was nice, it 16 was pretty much school, books, everything, 9:00 to 17 5:00, Monday through Friday, and it was the Cendant 18 school where they trained you on everything, they 19 even had times where if you didn't make the cut, you 20 were out, so the training wasn't, you know, 21 everyone's going to be hired and you stay hired, you 22 had to maintain a certain grade point average or you 23 were pretty much dismissed.</p> <p>24 Q. Okay.</p> <p>25 And what did the training deal with in</p>	<p>1 and nonconforming loans.</p> <p>2 MR. TROMBETTA: And again, I'm sorry, 3 you said FHA, conventional and what was the third.</p> <p>4 THE WITNESS: We did VA, FHA, 5 conventional, conventional that's two types of loans 6 on that branch, which would be conforming and 7 nonconforming.</p> <p>8 MR. TROMBETTA: Okay.</p> <p>9 Thank you.</p> <p>10 BY MR. GOLDSTEIN:</p> <p>11 Q. And do you know how many loans you would 12 originate on a yearly basis?</p> <p>13 A. I can go pretty much on a monthly basis 14 where --</p> <p>15 Q. Okay.</p> <p>16 A. -- each consultant in different in that 17 approach, as far as many variables, on average I 18 could close anywhere between thirty to forty to fifty 19 or sixty loans per month, it depends upon the month, 20 if I took an average of forty -- four hundred and 21 eighty per year.</p> <p>22 Q. Okay.</p> <p>23 So it's fair to say by the -- early 2001 24 you had originated over a thousand loans?</p> <p>25 A. Oh, easy. And the one thing we used to</p>
Page 10	Page 12
<p>1 general?</p> <p>2 A. We went through -- as far as debt to 3 income ratios, how that works, loan to value, how 4 that works, pretty much A through Z of -- about 5 mortgages, appraisals, documentation, if a customer's 6 self-employed you need self-employed tax returns and 7 how to go over that and decipher what their adjusted 8 gross income is, they can say they're claiming this, 9 but what is their actual income, we went through 10 magic training, how to spoke on the phone, then we 11 had a whole period where how do we use the actual 12 computer system with -- when a customer calls in, we 13 did a lot of role playing --</p> <p>14 Q. Okay.</p> <p>15 A. -- it was -- it was very good training, 16 very good.</p> <p>17 Q. Now -- All right.</p> <p>18 Did you -- when you worked for Cendant 19 did you deal exclusively with residential real 20 estate?</p> <p>21 A. Residential -- I don't understand.</p> <p>22 Q. Residential as opposed to commercial 23 real estate.</p> <p>24 A. No commercial, just residential, I guess 25 you would say FHA, VA and conventional, conforming</p>	<p>1 say a lot as far as -- the education I get compared 2 to someone who worked for a broker that deals with 3 maybe five clients, seven clients a month, I'm 4 dealing with probably seventy to ninety new clients a 5 week to where my experience -- I mean, five years in 6 this industry probably gave me twenty-five years 7 experience because of the amount of customers and 8 situations that I have to deal with as far as -- I've 9 hit every situation possible known to man as far as 10 in the industry.</p> <p>11 Q. And did Cendant also train you on these 12 different types of loan programs, FHA, VA and 13 conventional?</p> <p>14 A. Absolutely. Absolutely.</p> <p>15 Q. Okay.</p> <p>16 Do you -- do you recall Anthony Mendes?</p> <p>17 A. Not particularly, but I can go through 18 documents and see and --</p> <p>19 Q. Okay.</p> <p>20 Well, let me show you a document that 21 was marked as --</p> <p>22 MR. GOLDSTEIN: Hold on, Chris.</p> <p>23 MR. TROMBETTA: No problem.</p> <p>24 MR. GOLDSTEIN: Okay.</p> <p>25 It was marked as Exhibit-3 in Anthony</p>

4 (Pages 13 to 16)

Page 13	Page 15
<p>1 Mendes' deposition, let's remark it as Exhibit-1</p> <p>2 here.</p> <p>3 And, Chris, it's the March 21, 2001</p> <p>4 letter.</p> <p>5 MR. TROMBETTA: Gotcha.</p> <p>6 (Exhibit RL-1, Letter dated March 21, 2001,</p> <p>7 is marked for identification.)</p> <p>8 BY MR. GOLDSTEIN:</p> <p>9 Q. Mr. Luongo, I did not tell you, but</p> <p>10 throughout the deposition I'll probably put some</p> <p>11 documents in front you --</p> <p>12 A. Okay.</p> <p>13 Q. -- which will be marked exhibits and I'd</p> <p>14 like to ask you about each one and ask you if you can</p> <p>15 identify the document.</p> <p>16 Sir, I put before you what has been</p> <p>17 marked as Exhibit-1 at this deposition, can you</p> <p>18 identify what this document is?</p> <p>19 A. It's a preapproval letter --</p> <p>20 Q. Okay.</p> <p>21 A. -- it looks like for a sales price of</p> <p>22 two hundred and seventy-five thousand and the loan</p> <p>23 amount of two seven two eight three two.</p> <p>24 Q. Okay.</p> <p>25 And there's an interest rate there,</p>	<p>1 gets preapproved for a home, meaning that their</p> <p>2 credit is checked, that -- that's the primary. When</p> <p>3 a customer does call in we go over and see what type</p> <p>4 of home they're looking at, and usually when they're</p> <p>5 in the home buying process they're looking at some</p> <p>6 homes or sometimes they're not even looking at any</p> <p>7 homes at all and they just want to get the dollar</p> <p>8 amount how much money would it take to be</p> <p>9 out-of-pocket, what are closing costs and ultimately</p> <p>10 what is going to be a monthly payment and can we</p> <p>11 afford that, and the customer can basically call in</p> <p>12 as many times as they want and try and get approved</p> <p>13 for higher amounts, because usually -- for</p> <p>14 hypothetically can sit there and say, yes, the</p> <p>15 Mendeses called in and they have a sales price of two</p> <p>16 seventy-five, I can have -- they could call me back a</p> <p>17 week later and say, hey, we saw a house for two</p> <p>18 ninety, can we get approved for that much, and then</p> <p>19 we would go through the process where we look at</p> <p>20 their debt to income, which the computer helps out</p> <p>21 emencely with that. And looking here with the FHA</p> <p>22 the computer's in with the requirements as far as for</p> <p>23 government programs, go over the monthly payment,</p> <p>24 total amount down and see if they could be approved.</p> <p>25 The one thing is this is all verbal, the customer's</p>
Page 14	Page 16
<p>1 also?</p> <p>2 A. Interest rate -- the type of loan is an</p> <p>3 FHA for a thirty years, for three hundred and sixty</p> <p>4 months.</p> <p>5 Q. Now, can you tell us what is the process</p> <p>6 that you would follow while working for Cendant in</p> <p>7 terms of issuing an -- or sending a customer, such as</p> <p>8 Anthony P. Mendes, a preapproval letter?</p> <p>9 (Objection) MR. TROMBETTA: I would just object as</p> <p>10 to whether there was a process.</p> <p>11 BY MR. GOLDSTEIN:</p> <p>12 Q. Well, did you -- did you generally</p> <p>13 follow the same, you know, process when you -- in</p> <p>14 sending out the preapproval letters?</p> <p>15 A. Yes.</p> <p>16 Q. And -- Okay.</p> <p>17 And what was that process?</p> <p>18 A. Taking it from the initial call do you</p> <p>19 mean --</p> <p>20 Q. Sure.</p> <p>21 A. -- when the customer first calls in?</p> <p>22 Q. Yes.</p> <p>23 A. When a customer does call in it's mostly</p> <p>24 at the request of the real estate agent, pretty much,</p> <p>25 because they like the fact to see if the customer</p>	<p>1 explain to me -- and I explain to many customers,</p> <p>2 hey, if you tell me you make thirty dollars a year,</p> <p>3 you need to have the paystubs to back that up --</p> <p>4 (Objection) MR. TROMBETTA: Well, I'm going to just</p> <p>5 object to --</p> <p>6 THE WITNESS: Yes.</p> <p>7 MR. TROMBETTA: -- the extent of what</p> <p>8 he said.</p> <p>9 But, anyway, you can continue.</p> <p>10 BY MR. GOLDSTEIN:</p> <p>11 Q. Okay.</p> <p>12 Go ahead.</p> <p>13 A. This is, again, all done verbally,</p> <p>14 everything is over the phone, I have not seen any</p> <p>15 documents that the customer has given me as far as --</p> <p>16 if I asked you how much you make a year, if he tells</p> <p>17 me fifty-two thousand dollars a year, I need someone</p> <p>18 to tell me, okay, you need -- when it goes to the</p> <p>19 underwriting process they need to verify all of that</p> <p>20 by sending actual bank stubs -- or bank statements or</p> <p>21 assets, what their income level is with paychecks or</p> <p>22 W-2s. This approval letter is pretty much done</p> <p>23 basically to see if they're preapproved. I've only</p> <p>24 had two customers in the time I've been there that</p> <p>25 lied about their income or lied about different</p>

<p style="text-align: right;">Page 17</p> <p>1 things that just called in, I don't understand why 2 because in the end it's going to get them. 3 The process goes through as far as -- I 4 explain to them the different types of programs, I 5 understand what -- this program that this customer 6 wanted to go with a three-unit property, if he wanted 7 to go with a conventional mortgage he would have to 8 put five percent down, and looking at notes here 9 looks like he just couldn't afford that, so I 10 explained to him about the FHA program, saying that 11 you could put three percent down with the FHA -- 12 (Objection) MR. TROMBETTA: I'm just going to 13 object as to the -- we're talking about a process, I 14 don't know if -- 15 MR. GOLDSTEIN: All right. 16 THE WITNESS: Okay. I'll go through 17 the process as far as -- you're correct. 18 Customer calls in, we go over debt to 19 income, I explain a lot of things -- depends upon the 20 customer of what knowledge they have in the home 21 buying process. I can't recall what the Mendeses' 22 level of education was with the home buying process, 23 and, again, that's how each call differs. Personally 24 as a consultant I will go over everything from A to 25 Z, what an appraisal is, what closing costs stand</p>	<p style="text-align: right;">Page 19</p> <p>1 customer, they will then sign where -- everything is 2 pretty much highlighted and they would have to send 3 back in a prepaid envelope all the information that 4 the underwriter's requesting and then pretty much 5 it's out of my hands from there. I can deal with a 6 customer for a week, a day, I can deal with a 7 customer for five or six months, really depends on 8 their home buying process and how quick they want to 9 buy a home. 10 BY MR. GOLDSTEIN: 11 Q. So one -- strike that. 12 Once the loan goes to origination it's 13 out of your hands, is that essentially -- 14 A. I originate the loan, once the actual 15 property -- they find a property and we lock into a 16 rate or if they want to float -- once we find a house 17 and they want to buy the house we start the mortgage 18 process, which is -- 19 Q. All right. 20 I misspoke. Let me ask a different 21 question. 22 Once it goes to underwriting it's out of 23 your -- 24 A. Yes. Yes. 25 Q. Okay.</p>
<p style="text-align: right;">Page 18</p> <p>1 for, why they need a certain amount, I let them know 2 that -- title insurance and whatnot, that it's 3 different from -- that's going to be a standard cost 4 across the board, that they're all estimates and that 5 the actual cost comes in at the end and you'll know 6 at the closing table, so I always give them a high 7 end number what they need to come up with, and that's 8 what a good faith estimate's for, it's a high end 9 number, explain -- a lot of customers don't 10 understand what loan to value is, I'll explain that 11 to them, kind of explain to them how the mortgage 12 process works and let them know that once they have 13 their preapproval letter they can go out and look for 14 a house, once they find a house they give me the 15 address of the property, we can either lock into an 16 interest rate or they can float the interest rate, I 17 would then collect -- I believe it was three hundred 18 and twenty-five dollars at the time, that's when they 19 have an actual address to a property, their mortgage 20 application will be sent out to them in a loan 21 package with an underwriter assigned to that actual 22 deal, now with that there will be a list of 23 contingencies that the customer needs to meet, and 24 this is part of the process of when they actually 25 find a home, that loan package will go out to the</p>	<p style="text-align: right;">Page 20</p> <p>1 All right. 2 Now, the preapproval letter, such as 3 Exhibit-1 you have in front of you -- 4 A. Yes. 5 Q. -- are those sent out both in regard to 6 a specific property at times or in a hypothetical 7 situation? 8 (Objection) MR. TROMBETTA: Well, I'll object. 9 You can answer 10 BY MR. GOLDSTEIN: 11 Q. Okay. 12 In other words, can a customer ask that 13 a preapproval letter be sent in reference to a 14 specific property? 15 A. No. 16 Q. Okay. 17 Well, take a look at Exhibit-1, the 18 sales price, two hundred and seventy-five thousand 19 dollars, would a -- could that actually be a sales 20 price for a specific property? 21 A. No. 22 Q. No. 23 Okay. 24 All right. Throughout this process 25 would you have generally told customers whether a</p>



6 (Pages 21 to 24)

Page 21	Page 23
<p>1 preapproval letter was a guarantee of a mortgage loan  2 from Cendant Mortgage or not?  3 (Objection) MR. TROMBETTA: And I'll object.  4 But you can answer.  5 THE WITNESS: Could you repeat the  6 question?  7 BY MR. GOLDSTEIN:  8 Q. Would you have any discussions with  9 customers about whether the sending of a preapproval  10 letter was a guarantee that a loan would be made to  11 that customer?  12 (Objection) MR. TROMBETTA: Same objection.  13 THE WITNESS: It would not be a  14 guarantee. It's a preapproval letter. Nothing's  15 been verified, everything's been done verbally, so I  16 need to verify the documents that -- that whatever  17 the customer tells me I need to back that up with  18 their information. So this is basically just a  19 preapproval letter.  20 BY MR. GOLDSTEIN:  21 Q. Okay.  22 And is that -- would it be your custom  23 to tell customers that the preapproval letter was not  24 a guarantee of a loan?  25 (Objection) MR. TROMBETTA: Same objection</p>	<p>1 MR. TROMBETTA: And, again, I'll just  2 move to strike.  3 But continue.  4 BY MR. GOLDSTEIN:  5 Q. Okay.  6 Do you recall having any discussions  7 with Anthony Mendes specifically about a preapproval  8 letter?  9 A. I don't recall any conversation with  10 him.  11 Q. Okay.  12 Well, would you have ever -- given your  13 knowledge and experience as of March 21, 2001 would  14 you have told Mr. Mendes that this March 21, 2001  15 letter meant that he was guaranteed to get a loan  16 from Cendant Mortgage?  17 (Objection) MR. TROMBETTA: Objection.  18 THE WITNESS: I would not state that  19 because all of our calls are recorded and something  20 like that would have me fired.  21 MR. TROMBETTA: I'm sorry, could you  22 repeat that, please?  23 THE WITNESS: All of our phone calls  24 are recorded and if I had lied to a customer in any  25 which way I would be fired. Every call at any given</p>
Page 22	Page 24
<p>1 THE WITNESS: It's not a commitment  2 letter, it's just a preapproval letter. I mean,  3 thousands of these go out every single day.  4 BY MR. GOLDSTEIN:  5 Q. Okay.  6 Well, in --  7 A. I mean, I worked for three other  8 mortgage companies, as well, and it's just a  9 preapproval letter. Even when I bought my home I had  10 a preapproval letter, I wasn't approved yet.  11 Q. Did you say you worked for three other  12 mortgage companies?  13 A. Yes.  14 Q. What -- was that after Cendant?  15 A. Yes.  16 Q. Okay.  17 Well, did you receive any training at  18 Cendant as to what to tell a customer regarding a  19 preapproval letter in terms of whether it was a  20 guarantee of financing?  21 A. I explained to them it's not a  22 guarantee, you know, this is a preapproval letter,  23 once you find a house your loan will then go to  24 underwriting, and, again, if everything you told me  25 is correct you will -- you should have no problem.</p>	<p>1 time is recorded with every single customer, this --  2 this helps that I don't lie to any customer saying  3 yeah, you can have this, you can have that, oh, your  4 rate can be this, your rate can be that, no, I can't  5 do that, all of the calls are recorded, I cannot tell  6 a customer anything which is not true.  7 BY MR. GOLDSTEIN:  8 Q. Okay.  9 And, again, when you send out a  10 preapproval letter -- well, strike that. Let's back  11 up again.  12 You mentioned that you generally get  13 customers calling you as a referral from real estate  14 brokers?  15 A. That's correct.  16 Q. Okay.  17 And how do these customers come to any  18 particular originator?  19 A. We had it broken down -- at first it was  20 pretty much I covered all fifty states, I was one of  21 the few that were actually licensed in Wisconsin,  22 some people couldn't even take Wisconsin calls, so, I  23 mean -- but then they broke it down to where we have  24 the whole Northeast region, Southeast, Midwest, and  25 so on, and I remember I was in the Northeast section,</p>

Page 25	Page 27
<p>1 so basically it was just called down to where anyone 2 who called in from a certain number from the 3 Northeast came to either, say, three hundred 4 consultants and whoever was available, you know, you 5 just pick up the phone. Cendant Mortgage did have a 6 relationship with ERA, Caldwell Banker and Century 7 21, so basically it was their job to refer them to 8 Cendant and that was it, they can't make them use 9 Cendant, just to refer them for an approval letter.</p> <p>10 Q. Okay.</p> <p>11 Now, I just want to go over one piece of 12 your testimony, break it down.</p> <p>13 After a customer found a particular 14 house you would send out an application to the 15 customer?</p> <p>16 A. Yes.</p> <p>17 (Objection) MR. TROMBETTA: I'll object to that. 18 I don't think there's any foundation.</p> <p>19 BY MR. GOLDSTEIN:</p> <p>20 Q. Well, would it be the practice of 21 Cendant Mortgage and you to send out an application 22 to a customer?</p> <p>23 (Objection) MR. TROMBETTA: Same objection.</p> <p>24 THE WITNESS: Yes, once a house is 25 found, the customer wants to proceed with purchasing</p>	<p>1 MR. GOLDSTEIN: I'm sorry, Exhibit-2 is 2 the May 3, 2001 letter --</p> <p>3 THE WITNESS: Yeah, May 3rd.</p> <p>4 MR. GOLDSTEIN: -- marked as Exhibit-4 5 at Anthony Mendes' deposition.</p> <p>6 THE WITNESS: Okay. I'm reviewing 7 this.</p> <p>8 BY MR. GOLDSTEIN:</p> <p>9 Q. And does your signature -- well, I guess 10 this doesn't appear to be signed in its current form.</p> <p>11 A. No.</p> <p>12 Q. In any event, do you recognize this 13 document as a preapproval letter?</p> <p>14 MR. TROMBETTA: I'm sorry, could you 15 repeat that question, please?</p> <p>16 BY MR. GOLDSTEIN:</p> <p>17 Q. Do you recognize this document as a 18 preapproval letter?</p> <p>19 (Objection) MR. TROMBETTA: I'll object. 20 You can answer.</p> <p>21 MR. GOLDSTEIN: Okay. 22 I'll ask the question a different way.</p> <p>23 BY MR. GOLDSTEIN:</p> <p>24 Q. Can you identify this document?</p> <p>25 A. It's says you're approved, looks like a</p>
Page 26	Page 28
<p>1 the house, they need a mortgage for the house, they 2 call me, they proceed, give me the property address, 3 I cannot start a mortgage process without having an 4 actual physical street address --</p> <p>5 BY MR. GOLDSTEIN:</p> <p>6 Q. Okay.</p> <p>7 A. -- and then once that is all entered in 8 the computer, everything is there, the computer 9 automatically generates the loan package where their 10 application -- everything is filled out for them, 11 they need to review it -- sent out to them, they have 12 to review everything and make sure it's all correct.</p> <p>13 Q. Okay.</p> <p>14 And -- Okay.</p> <p>15 Let me show you the next exhibit, which 16 we're going to mark as Exhibit-2.</p> <p>17 (Exhibit RL-2, Letter dated May 3, 2001, is 18 marked for identification.)</p> <p>19 BY MR. GOLDSTEIN:</p> <p>20 Q. Before we go on to Exhibit-2, is your 21 signature on the last page of Exhibit-1?</p> <p>22 A. Yes.</p> <p>23 Q. Now, do you recognize Exhibit-2?</p> <p>24 MR. TROMBETTA: And, I'm sorry, what is 25 Exhibit-2?</p>	<p>1 preapproval letter to me, yeah, FHA, it's a 2 preapproval letter, going through it, you know, goes 3 to the next steps in the home buying process, step 4 one, look for your dream home, step two, once you've 5 selected your home and signed sales agreement, again, 6 because you can't start a mortgage process without a 7 signed sales agreement, which makes sense and, step 8 three, after you have found your home, these are the 9 items we need to complete the loan package, again, 10 goes over a list of items that the customer needs to 11 start getting together to show us.</p> <p>12 Q. You're referring to the third page --</p> <p>13 MR. TROMBETTA: Move to strike as not 14 responsive.</p> <p>15 But you can proceed.</p> <p>16 BY MR. GOLDSTEIN:</p> <p>17 Q. Well, let's go back to Exhibit-1.</p> <p>18 MR. TROMBETTA: You can ask him 19 questions about Exhibit-2, I'm not trying to be 20 difficult.</p> <p>21 MR. GOLDSTEIN: I'm not saying you are.</p> <p>22 BY MR. GOLDSTEIN:</p> <p>23 Q. Exhibit-1 on the second page has next 24 steps in the home buying process?</p> <p>25 A. Yes.</p>



8 (Pages 29 to 32)

Page 29	Page 31
<p>1 Q. And was it your practice to explain to 2 people on the phone what the steps were in the home 3 buying process? 4 A. Yes. 5 Q. Okay. 6 (Objection) MR. TROMBETTA: Object. 7 BY MR. GOLDSTEIN: 8 Q. If your look now at Exhibit-2 it has 9 also -- starting at the third page has a list 10 entitled next steps in the home buying process, do 11 you see that? 12 A. Yes. 13 Q. All right. 14 And if you look at the top of Exhibit-2 15 there's some fax information, do you see that? 16 A. I'm sorry? 17 Q. Do you see the fax information at the 18 top of Exhibit-2? 19 A. Yes. 20 Q. It says Mortgage Services? 21 A. Yes. 5/3/01. 22 Q. Right. 23 Is that the fax inscription that would 24 come out when Cendant fax'd a document to someone, 25 Mortgage Services, if you recall?</p>	<p>1 Q. Okay. 2 If you don't know, that's fine. 3 A. -- I couldn't answer that really -- 4 Q. Okay. 5 A. -- I mean -- 6 Q. All right. 7 The preapproval letters are generated by 8 a computer? 9 A. Yes. 10 Q. Okay. 11 And so looking at -- let's focus on 12 Exhibit-1, which does have your signature, would the 13 entire letter be generated by a computer except for 14 the particular information about the loan? 15 (Objection) MR. TROMBETTA: Well, I'll object to 16 that, too. 17 MR. GOLDSTEIN: Do you want me to go 18 through it page by page, Chris? 19 MR. TROMBETTA: Well, I didn't 20 understand what you meant. 21 BY MR. GOLDSTEIN: 22 Q. Well, for example, let's look at page -- 23 MR. TROMBETTA: Did you say except for 24 the amount of the loan? 25 MR. GOLDSTEIN: No, except for the</p>
Page 30	Page 32
<p>1 (Objection) MR. TROMBETTA: Well, I'll object. 2 But you can answer. 3 THE WITNESS: I believe so, I -- I 4 don't recall. 5 BY MR. GOLDSTEIN: 6 Q. Okay. 7 Well, this document -- the fax 8 information at the top of the document indicates it 9 would be six pages to this document, there were six 10 pages -- 11 MR. TROMBETTA: Is that a question? 12 MR. GOLDSTEIN: No, I'm setting it up. 13 BY MR. GOLDSTEIN: 14 Q. Based on your knowledge of what the 15 contents of the preapproval letters would be and just 16 assuming that page one was a cover sheet do you know 17 what the six pages of this document in general would 18 be? 19 (Objection) MR. TROMBETTA: Well, I'll object. 20 There isn't any foundation for that. 21 THE WITNESS: Well, considering it is 22 produced from a computer and fax'd from a computer it 23 could be a page with a date on it, I mean, it could 24 be anything, I mean -- 25 BY MR. GOLDSTEIN:</p>	<p>1 specifics about the loan. 2 MR. TROMBETTA: Well, wouldn't that be 3 in the computer when he generated -- that's the only 4 reason I'm saying that. 5 BY MR. GOLDSTEIN: 6 Q. Let me ask a different question. 7 Look at page one of Exhibit-1, if you 8 would, please -- 9 A. Um-hum. 10 Q. -- would that page be computer generated 11 except for the specific information about the 12 specific loan? 13 A. It is all setup from the computer based 14 on the information that I put in it. 15 Q. Okay. 16 Each page of Exhibit-1; correct? 17 A. That's correct. 18 Q. Okay. 19 And the same for Exhibit-2? 20 A. Correct. 21 Q. Okay. 22 Now, on Exhibit-1 and Exhibit-2 there's 23 a -- looks like a seal that says FHA approval? 24 A. Um-hum. Yes. 25 Q. How is that generated?</p>

Page 33

1 A. We're using an FHA program so that is  
 2 why that is there.  
 3 (Objection) MR. TROMBETTA: Well, I'll just object.  
 4 I mean, I don't think that's responsive  
 5 to the question, but --  
 6 BY MR. GOLDSTEIN:  
 7 Q. Well --  
 8 (Objection) MR. TROMBETTA: If you want to  
 9 continue, that's fine, but note my objection.  
 10 BY MR. GOLDSTEIN:  
 11 Q. -- you said it was an FHA program, how  
 12 would -- would that be coded into the computer?  
 13 A. Absolutely. There's a difference  
 14 between FHA, conventional and VA.  
 15 Q. And did you have a practice as to  
 16 discussing different loan programs with customers?  
 17 A. Yes --  
 18 (Objection) MR. TROMBETTA: Objection.  
 19 THE WITNESS: -- I would discuss many  
 20 different programs depending upon their needs.  
 21 BY MR. GOLDSTEIN:  
 22 Q. Okay.  
 23 And would you ever put a customer in a  
 24 loan program without discussing that program --  
 25 strike that.

Page 34

1 Did you ever put a customer in a loan  
 2 program without first discussing that program with  
 3 the customer?  
 4 (Objection) MR. TROMBETTA: And I'll object to  
 5 that, too.  
 6 THE WITNESS: I would not put a  
 7 customer in a program without discussing it with  
 8 them. Again, all our conversations are recorded and  
 9 I cannot force the customer to do anything, I can  
 10 only go over what I have to offer to them, and if  
 11 it's to their liking and they like it, we would use  
 12 that certain program.  
 13 BY MR. GOLDSTEIN:  
 14 Q. And in your experience while working at  
 15 Cendant who -- who selected what loan program to  
 16 pursue?  
 17 MR. TROMBETTA: I'm sorry, could you  
 18 repeat that question? I couldn't hear it.  
 19 MR. GOLDSTEIN: Yeah.  
 20 BY MR. GOLDSTEIN:  
 21 Q. In your experience at Cendant who  
 22 selected which loan program to pursue as between the  
 23 customer and you as a loan originator?  
 24 (Objection) MR. TROMBETTA: Well, I'll object to  
 25 that.

Page 35

1 THE WITNESS: I can give my  
 2 professional advice to a customer and the customer  
 3 makes that ultimate decision.  
 4 BY MR. GOLDSTEIN:  
 5 Q. Okay.  
 6 And in your practice while you were  
 7 working at Cendant does the customer always make the  
 8 decision as to what loan program to pursue?  
 9 (Objection) MR. TROMBETTA: Same objection.  
 10 THE WITNESS: I don't understand the  
 11 question.  
 12 BY MR. GOLDSTEIN:  
 13 Q. Well, let me ask you, did you ever put a  
 14 customer in a loan program without the customer's  
 15 consent?  
 16 (Objection) MR. TROMBETTA: Objection.  
 17 THE WITNESS: No.  
 18 MR. GOLDSTEIN: What's the basis of the  
 19 objection, Chris?  
 20 MR. TROMBETTA: There's no foundation  
 21 for it. A customer, I mean, what are we talking  
 22 about?  
 23 MR. GOLDSTEIN: Did he ever put a  
 24 customer into a loan program without the customer's  
 25 consent.

Page 36

1 (Objection) MR. TROMBETTA: Same objection.  
 2 BY MR. GOLDSTEIN:  
 3 Q. You already answered, I'm just repeating  
 4 it.  
 5 Okay.  
 6 MR. GOLDSTEIN: Exhibit-3 will be the  
 7 June 12, 2001 letter.  
 8 (Exhibit RL-3, Letter dated June 12, 2001,  
 9 is marked for identification.)  
 10 BY MR. GOLDSTEIN:  
 11 Q. All right.  
 12 I put before you what's been marked as  
 13 Exhibit-3 to this deposition.  
 14 MR. GOLDSTEIN: And, Chris, this is a  
 15 document with a Bates stamp LE0010, so it's from Lynn  
 16 Erickson's file.  
 17 MR. TROMBETTA: This is, what; 6/12/01  
 18 letter?  
 19 MR. GOLDSTEIN: Yes.  
 20 MR. TROMBETTA: Okay.  
 21 BY MR. GOLDSTEIN:  
 22 Q. Can you identify what this document is?  
 23 A. It appears to be another preapproval  
 24 letter based on a higher loan amount, so it looks  
 25 like the customer's been -- looks like from

10 (Pages 37 to 40)

Page 37	Page 39
<p>1 Exhibit-1, 2 and 3 he's been shopping for homes and 2 it looks like we've gone up and down in prices and it 3 looks like, you know, he could be making offers on 4 homes, and, again, I don't recall the conversations, 5 but it looks like it's another approval letter -- or 6 preapproval letter which helps basically -- these are 7 just pretty much documents here to help a customer 8 when he's making an offer, because you could be 9 making offers against three or four other buyers for 10 the same house, so this is basically -- this just 11 helps the real estate agent and the customer obtain 12 the ability to purchase a home.</p> <p>13 Q. All right.</p> <p>14 So you testified these documents, such 15 as Exhibits 1 through 3, are not sent regarding a 16 specific property?</p> <p>17 A. They're not commitment letters, they're 18 basic approval letters for any kind of amount of 19 basically just a sale price.</p> <p>20 Q. Okay.</p> <p>21 But the customer couldn't be asking for 22 a letter with regard to a specific property; correct?</p> <p>23 A. No. They can ask for it, but I can't 24 give it to them for a specific property, because, 25 again, there's no signed contract for that actual</p>	<p>1 each of these documents?</p> <p>2 A. Not personally.</p> <p>3 Q. Well, your signature is on Exhibit-1, 4 would that be a computer generated signature?</p> <p>5 A. I believe it is.</p> <p>6 Q. So if you -- again, looking at 7 Exhibit-1 --</p> <p>8 A. Yes.</p> <p>9 Q. -- you have -- the second and third 10 pages appear to be -- well, the second page, at 11 least, is next steps in the home buying process?</p> <p>12 A. Yes.</p> <p>13 Q. Okay.</p> <p>14 And that's a computer generated 15 document; correct?</p> <p>16 A. Yes.</p> <p>17 Q. That's part of -- and so when you were 18 working at Cendant in June of 2001 that would be part 19 of every preapproval letter?</p> <p>20 A. Yes.</p> <p>21 (Objection) MR. TROMBETTA: And I'm going to object 22 again.</p> <p>23 I think you're leading him.</p> <p>24 BY MR. GOLDSTEIN:</p> <p>25 Q. All right.</p>
Page 38	Page 40
<p>1 specific property, so I can't put that address on the 2 actual thing.</p> <p>3 Q. All right.</p> <p>4 Now, Exhibit-3, would that also be a 5 computer generated letter --</p> <p>6 A. Yes.</p> <p>7 Q. -- except for the specific information?</p> <p>8 A. Yes.</p> <p>9 Q. Okay.</p> <p>10 Do you recall what would be included in 11 this computer generated letter in June of 2001?</p> <p>12 MR. TROMBETTA: I'm sorry, could you 13 say that question again, please?</p> <p>14 BY MR. GOLDSTEIN:</p> <p>15 Q. Do you recall what the contents of each 16 of these computer generated letters would be in June 17 of 2001?</p> <p>18 A. The same as every other, it goes over 19 the next steps in the home buying process, again, 20 what items they need to get prepared for when they do 21 find a home, what they need to send to the 22 underwriting department to verify that they can 23 actually get approved for the mortgage.</p> <p>24 Q. Okay.</p> <p>25 Were these documents -- would you sign</p>	<p>1 Well, let me rephrase that.</p> <p>2 On page two of Exhibit-1 --</p> <p>3 A. Yes.</p> <p>4 Q. -- was the -- was the portion of this 5 letter that's entitled next steps in the home buying 6 process computer generated with every preapproval 7 letter that was sent out?</p> <p>8 A. Yes. And looking at this in Exhibit-1, 9 I mean, even in step two we already have, you know --</p> <p>10 (Objection) MR. TROMBETTA: I'll just object.</p> <p>11 There's no question, but --</p> <p>12 MR. GOLDSTEIN: Well --</p> <p>13 THE WITNESS: -- we can then send you 14 an update -- you know, once they've -- step two, once 15 you find and select your home and have a signed sales 16 contract, then it goes to the last sentence, then we 17 can send your updated application which reflects your 18 purchase price, which means knowing that the approval 19 letter is stating -- that if they're using it to put 20 a bid in for a home and they can put it into the 21 seller by saying, hey, look, they've been preapproved 22 for a mortgage, and the sale price could be -- I have 23 it done for, say, two seventy-five on Exhibit-1 and 24 they can negotiate and the price could be two 25 seventy-eight for someone who is bidding higher on the</p>

<p style="text-align: right;">Page 41</p> <p>1 home or if we go down to two seventy, two sixty-eight  2 or whatever is the negotiated price. Again, it's  3 just a preapproval letter, it's not a commitment  4 letter, it's not for a specific property, I mean, the  5 customers hasn't given me W-2s, hasn't given me  6 anything yet. I mean, especially with FHA, they have  7 to have an FHA inspector come out to the house, I've  8 had many loans fall through because the house doesn't  9 meet FHA expectations. You know, I'm just looking at  10 preapproval letters here.  11 BY MR. GOLDSTEIN:  12 Q. So in June of 2001 you understood that a  13 preapproval letter was not a guarantee -- strike  14 that.  15 In June of 2001 did you understand that  16 a preapproval letter was not a guarantee that Cendant  17 would finance a particular mortgage for a particular  18 home?  19 A. That's correct.  20 (Objection) MR. TROMBETTA: I'll object.  21 BY MR. GOLDSTEIN:  22 Q. Okay.  23 And you understood that before June of  24 2001; correct?  25 A. Yes.</p>	<p style="text-align: right;">Page 43</p> <p>1 I'm going to mark, Chris, I just have to have it  2 redacted real quick, so -- we'll take a two-minute  3 break?  4 MR. TROMBETTA: Sure.  5 What document is that?  6 MR. GOLDSTEIN: It's the residential  7 loan application.  8 MR. TROMBETTA: Okay.  9 Two minutes?  10 MR. GOLDSTEIN: Yeah.  11 Just hang on.  12 MR. TROMBETTA: Yep.  13 (Brief Recess.)  14 MR. GOLDSTEIN: Mark this as Exhibit-4.  15 (Exhibit RL-4, Residential loan  16 application, is marked for identification.)  17 BY MR. GOLDSTEIN:  18 Q. Mr. Luongo, I put before you what's been  19 marked as Exhibit-4, can you identify what this  20 document is?  21 A. A residential loan application.  22 Q. And if you look at the last page does  23 your signature appear on the bottom?  24 A. Yes.  25 Q. And is that in the box entitled</p>
<p style="text-align: right;">Page 42</p> <p>1 Q. Okay.  2 And, in fact, as you just indicated,  3 sometimes mortgages would be declined following --  4 well, strike that.  5 After a preapproval letter was sent at  6 times a customer would formally apply for a mortgage  7 and Cendant would decline the mortgage; correct?  8 A. That's correct. And there are many  9 variables why it could be declined.  10 MR. TROMBETTA: I'm sorry, I didn't  11 hear that.  12 THE WITNESS: There could be many  13 variables of why it could be declined.  14 BY MR. GOLDSTEIN:  15 Q. And as of June 2001 -- well, strike  16 that.  17 As of January 1, 2001, after you had  18 been working at Cendant for two years, do you recall  19 if it was your practice to tell people that the  20 preapproval letter was not a guarantee of financing?  21 (Objection) MR. TROMBETTA: I'll object.  22 THE WITNESS: Yes.  23 BY MR. GOLDSTEIN:  24 Q. Okay.  25 MR. GOLDSTEIN: There's a document that</p>	<p style="text-align: right;">Page 44</p> <p>1 interviewer's signature?  2 A. Yes.  3 Q. Okay.  4 And is that a computer generated  5 signature?  6 A. Yes.  7 Q. And that above your computer generated  8 signature is your typed name, do you see that?  9 A. Yes.  10 Q. And then there's a date?  11 A. Yes.  12 Q. What date is that?  13 A. 6/14/2001.  14 Q. All right.  15 How was this document generated or how  16 was it generated when you were at Cendant?  17 (Objection) MR. TROMBETTA: Well, I'll object.  18 But you can answer.  19 MR. GOLDSTEIN: What's the basis of the  20 objection?  21 MR. TROMBETTA: Well, does he even  22 remember preparing the document?  23 MR. GOLDSTEIN: He identified the  24 document.  25 MR. TROMBETTA: I know, I'm just -- do</p>

12 (Pages 45 to 48)

Page 45	Page 47
<p>1 you want to know the nature of my objection?</p> <p>2 MR. GOLDSTEIN: All right.</p> <p>3 BY MR. GOLDSTEIN:</p> <p>4 Q. Was there a method in June 2001 at</p> <p>5 Cendant as to how residential loan applications, such</p> <p>6 as Exhibit-4, were generated?</p> <p>7 A. It was generated by collecting all of</p> <p>8 the information that the customer gave to me by</p> <p>9 telephone, I mean, it even states in the bottom</p> <p>10 left-hand corner to be completed by interviewer, the</p> <p>11 application was taken by phone, by mail or face to</p> <p>12 face, it's by telephone, it's a standard 1003 form</p> <p>13 which has to be completed by any mortgage company to</p> <p>14 proceed with the purchasing -- or the mortgage for a</p> <p>15 home.</p> <p>16 Q. So you would input information into a</p> <p>17 computer based on what the customer was telling you</p> <p>18 by telephone; correct?</p> <p>19 A. Yes.</p> <p>20 Q. And then this document would be</p> <p>21 generated?</p> <p>22 A. This document would be generated, we</p> <p>23 would review it, and it's only sent out to the</p> <p>24 customer when they actually have a signed sales</p> <p>25 agreement for a specific property, the customer is</p>	<p>1 you -- would Cendant -- strike that.</p> <p>2 When in the home buying process would</p> <p>3 you generate a loan -- a residential loan</p> <p>4 application?</p> <p>5 (Objection) MR. TROMBETTA: Again, I'll just object</p> <p>6 as to this document.</p> <p>7 But you can answer.</p> <p>8 THE WITNESS: Doing the process on my</p> <p>9 computer it's all preliminary, I am actually</p> <p>10 collecting their current home address, whether it's</p> <p>11 rented or they own it, their debts, their assets, I</p> <p>12 am collecting all of the information that is</p> <p>13 basically on a 1003, the only way I can actually</p> <p>14 produce this document and send it out to the customer</p> <p>15 for them to review is when they have a subject .</p> <p>16 property address, which is on page one of Exhibit-4,</p> <p>17 where subject property address -- the Chilson Avenue</p> <p>18 in Mansfield, Massachusetts, even lets me know that's</p> <p>19 the number of units, three units, the type of</p> <p>20 purchase, the type of program, which -- FHA, what the</p> <p>21 interest rate is the customer decided on --</p> <p>22 MR. TROMBETTA: I'm sorry, I'm having a</p> <p>23 little trouble hearing you.</p> <p>24 THE WITNESS: It goes over as far as</p> <p>25 the actual subject property --</p>
Page 46	Page 48
<p>1 then told -- this is one of the documents that goes</p> <p>2 out to the customer, for them to review it, because</p> <p>3 they, also, need to sign this, as well, this is one</p> <p>4 of the documents that need to be signed for final</p> <p>5 approval, because right now the customer's been</p> <p>6 preapproved and we need to take it to the final</p> <p>7 approval process, which has not been done.</p> <p>8 Q. And the date on the document, June 14,</p> <p>9 2001, would be -- is that the date that you would</p> <p>10 have generated this letter?</p> <p>11 A. Yes. I'm sorry, what -- what date?</p> <p>12 Q. June 14, 2001.</p> <p>13 A. That's on the front?</p> <p>14 Q. That's on page four of four.</p> <p>15 A. Yes, that's the day it was completed.</p> <p>16 Q. Okay.</p> <p>17 And you would only complete this</p> <p>18 document once the customer had a signed agreement to</p> <p>19 purchase a property?</p> <p>20 A. Yes.</p> <p>21 (Objection) MR. TROMBETTA: I'll object.</p> <p>22 I don't think that's what he said.</p> <p>23 BY MR. GOLDSTEIN:</p> <p>24 Q. When -- just to clarify this in light of</p> <p>25 the objection, when in the home buying process would</p>	<p>1 MR. TROMBETTA: Yeah.</p> <p>2 THE WITNESS: -- looks like the house</p> <p>3 is on Chilson Avenue, even states the number of</p> <p>4 units, which is three, the county, the type of</p> <p>5 program, which is a FHA program for a fixed rate of</p> <p>6 seven point one two five for three hundred and sixty</p> <p>7 months and the amount to be financed.</p> <p>8 BY MR. GOLDSTEIN:</p> <p>9 Q. And this document, as you pointed out,</p> <p>10 was -- proviso was based on a telephone interview.</p> <p>11 In your time at Cendant did you ever</p> <p>12 request documentation to substantiate a loan from a</p> <p>13 customer?</p> <p>14 (Objection) MR. TROMBETTA: And I'll just object to</p> <p>15 the form.</p> <p>16 THE WITNESS: The only times I would</p> <p>17 ask for documentation would be if the customer is</p> <p>18 self-employed and did not want to use a program which</p> <p>19 is stated income or no employment verification,</p> <p>20 interest rates on those types of programs are a lot</p> <p>21 higher than if I do verify, I have a lot of</p> <p>22 self-employed borrowers, a lot of bartenders, say,</p> <p>23 where they think they're -- you know, they're</p> <p>24 probably making eighty, ninety, a hundred thousand,</p> <p>25 hypothetically, but when you actually review their</p>



Page 49	Page 51
<p>1 taxes I need to look at their taxes, and there's a</p> <p>2 process that I go through and an underwriter goes</p> <p>3 through to come up with their total adjusted gross</p> <p>4 income, where they literally can't claim to the</p> <p>5 government, where I mean, hey, this person</p> <p>6 hypothetically is making eighty thousand a year but</p> <p>7 he's claiming thirteen thousand dollars to the</p> <p>8 government, I can't do a loan for him because he's</p> <p>9 not making enough money to -- they're the one --</p> <p>10 they're pretty much the only time I would request</p> <p>11 documentation or if they had certain credit issues</p> <p>12 and I need to move on -- I need to get a letter to</p> <p>13 show an underwriter before it goes to processing.</p> <p>14 BY MR. GOLDSTEIN:</p> <p>15 Q. Okay.</p> <p>16 And other than those occasions, the --</p> <p>17 initial prequalification or preapproval letter you</p> <p>18 would not be collecting documentation from a</p> <p>19 customer?</p> <p>20 A. That's correct --</p> <p>21 (Objection) MR. TROMBETTA: I object.</p> <p>22 THE WITNESS: -- I would not request</p> <p>23 any documentation. Everything basically I did was</p> <p>24 paperless, that was for the processor and the</p> <p>25 underwriter to deal with.</p>	<p>1 Q. You requested that from the customer --</p> <p>2 strike that.</p> <p>3 And you would send, you said, a loan</p> <p>4 package or loan application package to the customer?</p> <p>5 A. Yes, with the actual specific property</p> <p>6 in mind and for that specific property what</p> <p>7 requirements that customer needs for a final</p> <p>8 approval.</p> <p>9 Q. And what would be -- and correct me if</p> <p>10 I'm wrong, but you stated there would be an envelope</p> <p>11 included in that package to send back to Cendant?</p> <p>12 A. To send everything back.</p> <p>13 Q. Who would that go to?</p> <p>14 A. That would go to the actual underwriter</p> <p>15 it's assigned to.</p> <p>16 Q. You wouldn't see that?</p> <p>17 A. I would not see it, no.</p> <p>18 Q. And you're not directly involved in the</p> <p>19 underwriting process --</p> <p>20 A. That is correct.</p> <p>21 Q. -- strike that.</p> <p>22 While you were at Cendant you weren't</p> <p>23 directly involved in the underwriting process?</p> <p>24 A. I was not --</p> <p>25 Q. Okay.</p>
Page 50	Page 52
<p>1 BY MR. GOLDSTEIN:</p> <p>2 Q. I apologize. In light of the objection</p> <p>3 let me just put it another way.</p> <p>4 What was your practice in terms of</p> <p>5 collecting documentation in regard to a preapproval</p> <p>6 letter?</p> <p>7 (Objection) MR. TROMBETTA: Same objection.</p> <p>8 THE WITNESS: I would let them know</p> <p>9 that when the process starts they will receive their</p> <p>10 full loan application in the mail, they'll receive it</p> <p>11 within twenty-four to forty-eight hours, and they'll</p> <p>12 have their underwriter that they would deal with,</p> <p>13 they can certainly call me if they have questions,</p> <p>14 but their underwriter will be helping them through</p> <p>15 the transition, speaking with the real estate agent</p> <p>16 on the one-on-one basis pretty much daily, and that</p> <p>17 the -- there will be a preapproved letter or envelope</p> <p>18 that they can send all of the information back, as</p> <p>19 far as which states and the approval letters, you</p> <p>20 know, their W-2s, in this case looks like evidence of</p> <p>21 an outstanding collection account and so on and so</p> <p>22 on, bank statements, copy of the signed sales</p> <p>23 agreements, I mean, whatever is needed for that final</p> <p>24 approval we need to have it and we request it.</p> <p>25 BY MR. GOLDSTEIN:</p>	<p>1 A. -- with the actual final approval. And</p> <p>2 looking at the actual Exhibits, 1, 2 and 3, it looks</p> <p>3 like --</p> <p>4 (Objection) MR. TROMBETTA: And I'll just object</p> <p>5 to -- there's no question.</p> <p>6 BY MR. GOLDSTEIN:</p> <p>7 Q. All right.</p> <p>8 Let me put a question to you.</p> <p>9 A. Even with that final package that goes</p> <p>10 to the customer --</p> <p>11 Q. Yes.</p> <p>12 A. -- with every preapproval letter it does</p> <p>13 state the following page is a checklist of items</p> <p>14 needed for your final approval before we go to</p> <p>15 closing --</p> <p>16 Q. Okay.</p> <p>17 A. -- and the customer realizes he doesn't</p> <p>18 have final approval yet, I mean, he knows that,</p> <p>19 that's discussed.</p> <p>20 Q. So it was your practice while working at</p> <p>21 Cendant to discuss with customers that they -- well,</p> <p>22 did you have a practice while working at Cendant to</p> <p>23 discuss whether a preapproval letter was a guarantee</p> <p>24 of financing?</p> <p>25 (Objection) MR. TROMBETTA: I'll object.</p>

14 (Pages 53 to 56)

<p style="text-align: right;">Page 53</p> <p>1 BY MR. GOLDSTEIN:</p> <p>2 Q. Just yes or no, did you have a practice</p> <p>3 while you were at Cendant --</p> <p>4 A. Yes.</p> <p>5 Q. And what was your practice while you</p> <p>6 were at Cendant?</p> <p>7 (Objection) MR. TROMBETTA: Objection.</p> <p>8 THE WITNESS: To never mislead the</p> <p>9 customer.</p> <p>10 BY MR. GOLDSTEIN:</p> <p>11 Q. Okay.</p> <p>12 And did you have a practice as to</p> <p>13 whether or not you would tell customers that their</p> <p>14 preapproval letter was binding?</p> <p>15 (Objection) MR. TROMBETTA: I'll object.</p> <p>16 THE WITNESS: Yes.</p> <p>17 BY MR. GOLDSTEIN:</p> <p>18 Q. What was your practice?</p> <p>19 (Objection) MR. TROMBETTA: Object again.</p> <p>20 THE WITNESS: I would explain to them</p> <p>21 again that they do need to verify the information --</p> <p>22 BY MR. GOLDSTEIN:</p> <p>23 Q. Okay.</p> <p>24 A. -- that we've gone over verbally.</p> <p>25 Q. And did you have -- while employed at</p>	<p style="text-align: right;">Page 55</p> <p>1 have sent out the loan application package?</p> <p>2 (Objection) MR. TROMBETTA: Well, I'll object.</p> <p>3 MR. GOLDSTEIN: What's your objection</p> <p>4 now?</p> <p>5 MR. TROMBETTA: He said he didn't</p> <p>6 remember the Mendes, how is he going to know who sent</p> <p>7 it out?</p> <p>8 THE WITNESS: There's a specific team</p> <p>9 that does that, everything is generated, I review</p> <p>10 everything, I hit a button, I know it goes down to a</p> <p>11 team that pretty much puts together the loan package,</p> <p>12 it is then reviewed, an underwriter's assigned and</p> <p>13 it's sent out.</p> <p>14 BY MR. GOLDSTEIN:</p> <p>15 Q. So as the loan originator at Cendant --</p> <p>16 strike that.</p> <p>17 As a loan originator at Cendant you were</p> <p>18 involved in putting together the loan application</p> <p>19 package and sending it out to the customer; correct?</p> <p>20 A. Everything that's on my screen is then</p> <p>21 computer generated onto a specific form, so in a way</p> <p>22 I am responsible for putting this together --</p> <p>23 Q. Okay.</p> <p>24 A. -- the actual loan package is not put</p> <p>25 together in my physical hands and sent out, someone</p>
<p style="text-align: right;">Page 54</p> <p>1 Cendant did you tell customers -- strike that.</p> <p>2 While employed at Cendant did you have a</p> <p>3 practice as to what you would discuss with customers</p> <p>4 as to the application process that would take place</p> <p>5 once a property was found?</p> <p>6 (Objection) MR. TROMBETTA: Objection</p> <p>7 THE WITNESS: Yes, I would.</p> <p>8 BY MR. GOLDSTEIN:</p> <p>9 Q. What was that practice?</p> <p>10 (Objection) MR. TROMBETTA: Same objection.</p> <p>11 THE WITNESS: I would explain again the</p> <p>12 things they needed to prepare and get ready for when</p> <p>13 they received that final loan package with the</p> <p>14 prepaid postage envelope to come back, you know, we</p> <p>15 would go through again everything, we would go over</p> <p>16 the interest rate, we would then go over the</p> <p>17 application again just to make sure before everything</p> <p>18 was generated that it was correct.</p> <p>19 BY MR. GOLDSTEIN:</p> <p>20 Q. Who at Cendant -- well, you've seen now</p> <p>21 three prequalification letters and a loan</p> <p>22 application -- residential loan application, Exhibits</p> <p>23 1 through 4, who -- in connection with the Mendes</p> <p>24 application for a mortgage for the property, 1-3</p> <p>25 Chilson Avenue, Mansfield, Massachusetts, who would</p>	<p style="text-align: right;">Page 56</p> <p>1 sends it out for me.</p> <p>2 Q. Okay.</p> <p>3 MR. TROMBETTA: I'm sorry, what was the</p> <p>4 last sentence you said?</p> <p>5 THE WITNESS: A team member would send</p> <p>6 that out for me.</p> <p>7 I mean, the process that we followed is</p> <p>8 pretty much what GMAC does --</p> <p>9 (Objection) MR. TROMBETTA: I'll object.</p> <p>10 There's no question</p> <p>11 BY MR. GOLDSTEIN:</p> <p>12 Q. Well, is there a practice that was</p> <p>13 followed by your -- Cendant in regard to the loan</p> <p>14 application packages?</p> <p>15 (Objection) MR. TROMBETTA: And, again -- I mean,</p> <p>16 I'll object, I mean --</p> <p>17 MR. GOLDSTEIN: Okay.</p> <p>18 BY MR. GOLDSTEIN:</p> <p>19 Q. You can answer.</p> <p>20 A. This process that we followed is pretty</p> <p>21 much a standard process that Wells Fargo, Country</p> <p>22 Wide, GMAC follows the same exact process. At this</p> <p>23 time Cendant Mortgage was probably the third largest</p> <p>24 mortgage company in America, right up top there with</p> <p>25 Wells Fargo and Country Wide, I mean, having</p>

<p style="text-align: right;">Page 57</p> <p>1 friends -- I mean, this is a standard process with  2 preapproval letters going out and -- and the way the  3 process is done is pretty much the same at any  4 mortgage company.  5 Q. All right.  6 Now, I've shown you the loan application  7 as Exhibit-4, do you have it there?  8 A. Yes.  9 Q. And Exhibit-3 is a June 12, 2001  10 prequalification letter?  11 A. Yes.  12 Q. Okay.  13 I'm just going to read to you part of  14 the Mendes' complaint starting at paragraph five --  15 A. And this deals with Exhibit-3?  16 Q. 3 and 4?  17 A. Okay.  18 Q. I'm going to ask you questions about 3  19 and 4 in light of the allegations in the Mendes'  20 complaint.  21 Now, Exhibit-5 -- I'm sorry, paragraph  22 five of the Mendes' complaint reads that Cendant  23 completed a loan application for Mr. and Mrs. Mendes,  24 a true and accurate copy of the application completed  25 by them is attached as Exhibit-A, and Exhibit-A of</p>	<p style="text-align: right;">Page 59</p> <p>1 first applied pursuant to the residential loan  2 application, marked as Exhibit-4 to this deposition,  3 for a mortgage and then after that application  4 Cendant issued the June 12, 2001 preapproval letter,  5 was that every the --  6 A. Well, it looks like they could have  7 called in on the 12th and -- it could get mailed to  8 them, I know it automatically gets fax'd over to the  9 real estate agent, it could be in the mail to them  10 and they could have called me up on the 13th and  11 said, hey, I have a property, and then this  12 automatically gets overnighted to them, I mean, that  13 loan package is overnighted to them, it's there.  14 Q. Would Cendant ever -- was there ever an  15 occasion while you were originating a loan at Cendant  16 where the loan application would be completed first  17 and then a preapproval letter would be sent out  18 second?  19 (Objection) MR. TROMBETTA: Well, I'll object  20 THE WITNESS: It could be a pass in the  21 mail as far as for two different types of properties  22 because of the fact, I mean, one is for one amount  23 and one is for another amount.  24 BY MR. GOLDSTEIN:  25 Q. Mr. Mendes has testified -- well, the</p>
<p style="text-align: right;">Page 58</p> <p>1 the complaint is Exhibit-4 here of the loan  2 application, and then paragraph six of the complaint  3 then reads, thereafter, Cendant preapproved a  4 mortgage in the amount of three hundred seven  5 thousand five hundred forty-five dollars, this  6 mortgage contemplated an interest rate of seven point  7 one two five percent, and I can show you those  8 allegations if you want, however, would -- the  9 Mendeses, therefore, have alleged that the June 12,  10 2001 preapproval letter followed the residential loan  11 application, was that ever the process that was  12 followed at Cendant?  13 (Objection) MR. TROMBETTA: Well, I'll object.  14 You can answer.  15 MR. GOLDSTEIN: What's your objection  16 to this question?  17 MR. TROMBETTA: Well, reading from the  18 complaint.  19 If you want to just ask him the  20 question, you can ask him the question.  21 MR. GOLDSTEIN: Okay.  22 It's your complaint, Mr. Trombetta,  23 your clients' complaint.  24 BY MR. GOLDSTEIN:  25 Q. So the Mendeses have alleged that they</p>	<p style="text-align: right;">Page 60</p> <p>1 Mendeses -- strike that.  2 Anthony Mendes has testified that he  3 made an offer to purchase Chilson Avenue in Mansfield  4 on June 12, 2001, so my question is this -- let me  5 reask the question -- you know what, I'll strike  6 that.  7 On Exhibit-4, the date of June 14, 2001  8 on the last page, that's a date that was generated  9 based on what you input into the computer; correct?  10 A. That's right. And it's for a specific  11 property.  12 (Objection) MR. TROMBETTA: And I'll object.  13 There's no question.  14 MR. GOLDSTEIN: You're objecting to  15 that's for a specific property?  16 MR. TROMBETTA: What's that?  17 MR. GOLDSTEIN: What are you objecting  18 to?  19 MR. TROMBETTA: I thought he continued  20 to answer to something else after he had responded to  21 the question.  22 MR. GOLDSTEIN: Okay.  23 That's fine.  24 Let me look at my notes and see if I  25 have anything else.</p>



16 (Pages 61 to 64)

Page 61	Page 63
<p>1 BY MR. GOLDSTEIN:</p> <p>2 Q. Did you have any conversations with</p> <p>3 Chris Trombetta regarding this case, the attorney for</p> <p>4 the Plaintiffs?</p> <p>5 A. Before today?</p> <p>6 Q. Before today.</p> <p>7 A. Yes.</p> <p>8 Q. And what -- how many times?</p> <p>9 A. I believe once.</p> <p>10 Q. What was discussed?</p> <p>11 Do you recall the conversation?</p> <p>12 A. I received a phone call that the</p> <p>13 Mendeses were pursuing, I guess, a case against</p> <p>14 Cendant and pretty much were going over what approval</p> <p>15 letters were and, you know, what the situation pretty</p> <p>16 much was, you know, I remember I did discuss that</p> <p>17 there are many different variables that -- looks like</p> <p>18 they were looking at a three-unit property and that</p> <p>19 when a customer purchases a three-unit property</p> <p>20 there's two ways, they can go with a conventional</p> <p>21 mortgage with five percent down or they go FHA with</p> <p>22 as little as three percent and that gives them the</p> <p>23 benefit of using the two other units to help qualify</p> <p>24 for a mortgage and that they have to have a one year</p> <p>25 signed contract for a specific amount for the</p>	<p>1 nothing -- nonetheless but just a preapproval letter</p> <p>2 and that it happens in the business all the time.</p> <p>3 I just took a verbal application with</p> <p>4 Mr. Mendes and that -- basically there's -- you know,</p> <p>5 no one reviewed his information, you know, do I have</p> <p>6 a signed contract for the other two units for someone</p> <p>7 to rent it out, do I have this, do I have that, I</p> <p>8 don't have any of that because there's no specific</p> <p>9 property address at the time with the preapproval</p> <p>10 letter. Now, he has a property that is specific --</p> <p>11 and then getting off, that was pretty much our</p> <p>12 conversation, I mean, that's pretty much it.</p> <p>13 BY MR. GOLDSTEIN:</p> <p>14 Q. Now, do you play any role in approving a</p> <p>15 formal residential loan application at Cendant?</p> <p>16 A. Yes.</p> <p>17 Q. And what's your role?</p> <p>18 (Objection) MR. TROMBETTA: Well -- I'll object.</p> <p>19 You can go ahead.</p> <p>20 THE WITNESS: Once all of the</p> <p>21 information is gathered on the computer there is a</p> <p>22 submit button you can submit which then goes to</p> <p>23 Fannie Mae, Freddie Mac guidelines, sometimes it can</p> <p>24 come up as declined, I can sit there and say as a</p> <p>25 consultant, you know, this doesn't make sense, I can</p>
Page 62	Page 64
<p>1 approval and also went over that, yeah, many times</p> <p>2 somebody could have a preapproval but once we receive</p> <p>3 the documents they could be declined, you know, I</p> <p>4 remember the remark Chris said was, that actually</p> <p>5 happens, I said, yes, it happens every day in the</p> <p>6 mortgage business, that, you know, a preapproval</p> <p>7 letter is just a preapproval letter, that I need to</p> <p>8 verify documents and -- whether it's Cendant</p> <p>9 Mortgage, whether it's XYZ Mortgage, it's -- you</p> <p>10 know, we need to verify all of the information for</p> <p>11 the actual property and specific as far as the</p> <p>12 subject property address, that's when you really get</p> <p>13 down to it.</p> <p>14 MR. TROMBETTA: I'm sorry, are you</p> <p>15 testifying as to what I said or as to what you said?</p> <p>16 THE WITNESS: Our conversation.</p> <p>17 MR. TROMBETTA: Right.</p> <p>18 But I'm just saying -- I was trying to</p> <p>19 follow, were you testifying as to what you told me?</p> <p>20 THE WITNESS: Yeah, and I pretty much</p> <p>21 went over as far as that someone -- in the</p> <p>22 conversation you had pretty much asked me the</p> <p>23 question, you know, people can get declined after</p> <p>24 they have a preapproval letter, and I had mentioned</p> <p>25 to you, yes, it happens, a preapproval letter is</p>	<p>1 then take it to a team leader and say, hey, look,</p> <p>2 this is my finding with this loan, do you agree with</p> <p>3 me, hey, they have strong assets, yeah, the back</p> <p>4 ratio might be high, you know, what do you think, and</p> <p>5 they could say, yeah, you know, it looks pretty good</p> <p>6 to me, I think we can go for it, and they'll give me</p> <p>7 a control number and we actually approve it, I -- I</p> <p>8 don't actually have final say, I go to a team leader</p> <p>9 and bring up my findings, hey, this should be</p> <p>10 approved, not all the time as it were or -- or it's</p> <p>11 approved, but the computer plays a big role because</p> <p>12 it goes through all of the requirements with Freddie</p> <p>13 Mac, Fannie Mae guidelines.</p> <p>14 BY MR. GOLDSTEIN:</p> <p>15 Q. This is my question, you might have</p> <p>16 answered it earlier --</p> <p>17 A. Yeah.</p> <p>18 Q. -- after the residential loan</p> <p>19 application package was --</p> <p>20 A. Oh, after --</p> <p>21 Q. -- do you play a role in approving loan</p> <p>22 applications at that point?</p> <p>23 A. No.</p> <p>24 Q. Okay.</p> <p>25 In connection with the preapproval</p>

Page 65	Page 67
<p>1 letter do you pull individual's credit reports?</p> <p>2 A. Yes.</p> <p>3 Q. Now, let me read you from Mr. Mendes'</p> <p>4 deposition, page one O nine starting on line</p> <p>5 twenty-two, referencing a conversation that Anthony</p> <p>6 Mendes had, he alleges, with you, and I asked him,</p> <p>7 question, what did he say about that, answer -- I</p> <p>8 might have to back up -- hold on, let me strike that.</p> <p>9 All right.</p> <p>10 In asking Mr. Mendes about his May --</p> <p>11 the conversation regarding the May 3, 2001</p> <p>12 preapproval letter Mr. Mendes testified as follows,</p> <p>13 question, did he tell you he pulled the credit,</p> <p>14 answer, oh, yeah, he had me on hold for about five</p> <p>15 minutes, question, after he had you on hold what</p> <p>16 happened, answer, he said I was approved, question,</p> <p>17 did he say anything else, answer, no, question, well,</p> <p>18 did he say he was going to send you a letter, answer,</p> <p>19 oh, he did say he was going to send me a letter,</p> <p>20 question, what did he say about that, answer, he just</p> <p>21 said I'm sending you out a letter, you've been</p> <p>22 approved guaranteed and he said it -- and he sent it,</p> <p>23 question, did he use the word guaranteed, answer,</p> <p>24 yeah.</p> <p>25 Now, at -- while you worked as a loan</p>	<p>1 Now, Mr. Luongo, I believe you indicated</p> <p>2 that you worked as a senior loan officer; is that</p> <p>3 right?</p> <p>4 A. Senior loan consultant.</p> <p>5 Q. I'm sorry, senior loan consultant.</p> <p>6 Before that what was your position with</p> <p>7 Cendant?</p> <p>8 A. A loan consultant.</p> <p>9 Q. Loan consultant.</p> <p>10 Okay.</p> <p>11 And Cendant essentially made loans as</p> <p>12 its business; correct?</p> <p>13 A. Correct.</p> <p>14 Q. Okay.</p> <p>15 And you handled calls concerning</p> <p>16 applications for such loans; isn't that right?</p> <p>17 A. Yes.</p> <p>18 Q. And it was in Cendant's best interest to</p> <p>19 make loans in terms of earning revenues; is that</p> <p>20 correct?</p> <p>21 A. Yes, as I'm aware of.</p> <p>22 Q. Now, one of the questions I do have go</p> <p>23 to the letters marked as Exhibits 1, 2 and 3 and I'd</p> <p>24 like to just ask you a couple of questions.</p> <p>25 First of all, if you go to Exhibit-2 --</p>
Page 66	Page 68
<p>1 originator at Cendant would you ever tell a customer</p> <p>2 based -- during the preapproval process that they</p> <p>3 were guaranteed -- strike that.</p> <p>4 While working at Cendant as a loan</p> <p>5 originator did you ever tell a customer during the</p> <p>6 preapproval process that that customer was guaranteed</p> <p>7 to get a loan?</p> <p>8 (Objection) MR. TROMBETTA: And I'll object.</p> <p>9 But you can answer.</p> <p>10 THE WITNESS: No.</p> <p>11 MR. GOLDSTEIN: No further questions.</p> <p>12 MR. TROMBETTA: All right.</p> <p>13 (Off-the-record discussion.)</p> <p>14 (Lunch Recess.)</p> <p>15 (EXAMINATION OF MR. LUONGO BY MR. TROMBETTA:)</p> <p>16 Q. Mr. Luongo, my name is Chris Trombetta,</p> <p>17 I represent Anthony and Doris Mendes.</p> <p>18 I'm going to ask you just a few</p> <p>19 questions here this afternoon. If you don't</p> <p>20 understand any question or any part of any question,</p> <p>21 let me know, I'll explain it and we'll clarify the</p> <p>22 misunderstanding.</p> <p>23 Do you understand that?</p> <p>24 A. Yes.</p> <p>25 Q. Okay.</p>	<p>1 A. Yes.</p> <p>2 Q. -- how many pages comprise that marked</p> <p>3 exhibit?</p> <p>4 A. It looks like there's four pages total</p> <p>5 that I have.</p> <p>6 Q. This is Exhibit-2?</p> <p>7 A. Yes.</p> <p>8 Q. And this is the one -- strike that.</p> <p>9 This is the letter that's dated May</p> <p>10 2001?</p> <p>11 A. Yes, May 3, 2001.</p> <p>12 Q. Is there a fax cover sheet?</p> <p>13 A. No.</p> <p>14 Q. Okay.</p> <p>15 I believe you have a black binder there</p> <p>16 with some potential exhibits in it, could you please</p> <p>17 go to Exhibit P and you'll see there -- there should</p> <p>18 be a document with a fax cover sheet that says</p> <p>19 Mortgage Services on the front?</p> <p>20 A. P as in Paul? Yeah, it says Mortgage</p> <p>21 Services fax transmission.</p> <p>22 Q. I'm sorry?</p> <p>23 A. Looks like a cover sheet.</p> <p>24 Q. Right.</p> <p>25 A. Yes.</p>

18 (Pages 69 to 72)

Page 69	Page 71
<p>1 Q. It says Mortgage Services on it?</p> <p>2 A. Yes. I'm looking at the cover sheet.</p> <p>3 Q. Okay.</p> <p>4 MR. TROMBETTA: What I was going to ask</p> <p>5 the court reporter to do, please, is to mark that</p> <p>6 entire document at Exhibit P as Exhibit-5, please.</p> <p>7 MR. GOLDSTEIN: Do you have multiple</p> <p>8 copies at that tab?</p> <p>9 MR. TROMBETTA: I don't know how many</p> <p>10 are in there. I think there were several.</p> <p>11 MR. GOLDSTEIN: Okay.</p> <p>12 THE WITNESS: Yeah, there are several.</p> <p>13 MR. GOLDSTEIN: Thank you.</p> <p>14 (Exhibit RL-5, Mortgage Services facsimile</p> <p>15 transmission with attachment, is marked for</p> <p>16 identification.)</p> <p>17 MR. TROMBETTA: Thank you.</p> <p>18 BY MR. TROMBETTA:</p> <p>19 Q. Mr. Luongo, if you look at the top of</p> <p>20 the cover sheet do you see an indication where it</p> <p>21 says Mortgage Services, next to that there's a date</p> <p>22 5/3/01, do you see that?</p> <p>23 A. Yes.</p> <p>24 Q. And then you go over a little bit more</p> <p>25 it says page one, slash, six, do you see that?</p>	<p>1 Q. And those pages are numbered</p> <p>2 consecutively from one, slash, six to five, slash,</p> <p>3 six; correct?</p> <p>4 A. Yes.</p> <p>5 Q. And this is a fax that you sent to</p> <p>6 Anthony Mendes on -- well, strike that.</p> <p>7 The cover sheet indicates that Exhibit-5</p> <p>8 is a fax that you sent to Anthony Mendes on May 3,</p> <p>9 2001; is that right?</p> <p>10 A. Correct.</p> <p>11 Q. Okay.</p> <p>12 Now, you indicated this fax was sent</p> <p>13 through your computer?</p> <p>14 A. Correct.</p> <p>15 Q. Okay.</p> <p>16 Now, when you do that what happens; you</p> <p>17 just have the document on your screen, you hit a</p> <p>18 button and it's fax'd?</p> <p>19 A. Correct.</p> <p>20 Q. Okay.</p> <p>21 Now, if you could, please, could you go</p> <p>22 to Exhibit-3 --</p> <p>23 A. Can I also elaborate on that previous</p> <p>24 question, there are times I can actually print the</p> <p>25 document up and physically fax it to the customer, as</p>
Page 70	Page 72
<p>1 A. Yes.</p> <p>2 Q. And if you look at the pages that</p> <p>3 comprise the exhibit the pages go from one, slash,</p> <p>4 six through five, slash, six; correct?</p> <p>5 A. Mine actually goes four of six and then</p> <p>6 four of six --</p> <p>7 Q. It might be an extra four of six, if</p> <p>8 it's an extra you can just pull that out.</p> <p>9 A. Five of six twice, five of six the third</p> <p>10 time, so I have three five of sixes --</p> <p>11 Q. All right.</p> <p>12 That's a copying mistake.</p> <p>13 If you could pull the multiple four of</p> <p>14 sixes and the multiple five of sixes, could you just</p> <p>15 go ahead and pull those out of the exhibit --</p> <p>16 A. No problem.</p> <p>17 Q. -- so the exhibit just has one page four</p> <p>18 of six and one page five of six?</p> <p>19 If you can just let me know when you've</p> <p>20 done that.</p> <p>21 A. It's ready.</p> <p>22 Q. Okay.</p> <p>23 So in connection with Exhibit-5 there</p> <p>24 are five pages that comprise the exhibit; correct?</p> <p>25 A. That's correct.</p>	<p>1 well.</p> <p>2 Q. Oh, okay.</p> <p>3 Hard copy, put it on the fax machine and</p> <p>4 send it?</p> <p>5 A. I have two ways of doing it.</p> <p>6 Q. Okay.</p> <p>7 And when you look at Exhibit-5 can you</p> <p>8 tell me how you fax'd that document?</p> <p>9 A. I could not recall that.</p> <p>10 Q. Okay.</p> <p>11 You fax'd it either through the computer</p> <p>12 or physically; is that right?</p> <p>13 A. As I recall, yes.</p> <p>14 Q. Okay.</p> <p>15 Would you, please, go to Exhibit-3?</p> <p>16 A. Exhibit-3, yes.</p> <p>17 Q. Okay.</p> <p>18 Now, with respect to Exhibit-3 that's</p> <p>19 been marked how many pages comprise the exhibit?</p> <p>20 A. Four.</p> <p>21 Q. Four?</p> <p>22 What is the first page?</p> <p>23 A. I mean -- oh, total pages in the</p> <p>24 actual -- I have two pages for Exhibit-3.</p> <p>25 Q. Oh, okay.</p>

Page 73	Page 75
<p>1 And the first page, if you to go the top 2 where there's a fax footprint the first page is two, 3 slash, four; is that right? 4 A. That's correct. 5 Q. And the second page is three, slash, 6 four; is that right? 7 A. Correct. 8 Q. And the date of the letter is June 12, 9 2001; is that correct? 10 A. Correct. 11 Q. And this is a document you fax'd to Mr. 12 Mendes; correct? 13 A. Correct. 14 Q. Okay. 15 Now, there are only four pages to this 16 fax; correct? 17 A. As much as I can recall, yes. 18 Q. Okay. 19 Just based on the indication two out of 20 four; is that right? 21 A. I believe so. 22 Q. Okay. 23 That's assuming there even was a page 24 four because we don't have it? 25 A. Correct.</p>	<p>1 A. Everything is sent to him, what he does 2 with it is what he does with it. 3 Q. Well, respectfully, if you look at the 4 fax footprint -- 5 A. Um-hum. 6 Q. -- it says two, slash, four, three, 7 slash, four; correct? 8 A. Yes. 9 Q. Is it your understanding that no more 10 than four pages were fax'd on June 12, 2001? 11 A. To my understanding, if there were four 12 pages, four pages were sent to him. 13 Q. Right. 14 With respect to Exhibit-5 there were six 15 pages that were sent based on the fax footprint; 16 correct? 17 A. Correct. 18 Q. Okay. 19 Now, if we could just focus on 20 Exhibit-3, I believe that you termed this letter a 21 preapproval letter; is that right? 22 A. I turned the preapproval? 23 Q. I'm sorry, termed it. 24 A. Termed it? 25 Q. Yeah.</p>
Page 74	Page 76
<p>1 Q. Okay. 2 So there was a difference between this 3 fax and Exhibit-5 in terms of number of pages; 4 correct? 5 (Objection) MR. GOLDSTEIN: Objection. 6 BY MR. TROMBETTA: 7 Q. I think you can answer it. 8 A. It looks like at this point -- I mean, 9 there is a difference in the amount of pages based on 10 what the computer's generating. 11 Q. Right. 12 And based on the fax footprint it seems 13 that certain pages weren't included with Exhibit-3 14 when it was sent; correct? 15 A. I'm sorry? Can you repeat the question? 16 Q. Sure. 17 Based on a comparison of Exhibit-3 to 18 Exhibit-5 it seems that certain pages were not 19 included with Exhibit-3 when it was forwarded to Mr. 20 Mendes on June 12, 2001; correct? 21 (Objection) MR. GOLDSTEIN: Objection. 22 THE WITNESS: You mean certain pages 23 weren't sent to him? 24 BY MR. TROMBETTA: 25 Q. Yes.</p>	<p>1 A. Yes. 2 Q. Did you say this was a preapproval 3 letter? 4 A. Yes. 5 Q. Okay. 6 Now, I just want to ask you a couple 7 questions. 8 If you look in the middle of the 9 document you see the word you're? 10 A. Yes. 11 Q. What word follows you're? 12 A. You're approved. 13 Q. It doesn't say preapproved; correct? 14 A. No. 15 Q. Okay. 16 Next to that do you see that red -- 17 strike that. 18 Do you see the stamp on the document? 19 A. Yes. 20 Q. What does it say inside that stamp? 21 A. FHA approved. 22 Q. It doesn't say preapproved; correct? 23 A. Correct. 24 Q. Okay. 25 Now, if you go to the first paragraph,</p>

Page 77	Page 79
<p>1 would you just read the first line -- let me read it,  2 quote, we're pleased to tell you that you've been  3 approved for a mortgage loan in the amount of three  4 hundred seven thousand five hundred forty-five  5 dollars, close quote.  6 Did I read that correctly?  7 A. Yes.  8 Q. And, again, it says approved; correct?  9 A. Correct.  10 Q. It does not say preapproved?  11 A. Correct.  12 Q. Okay.  13 Now, you indicated that the financing --  14 strike that.  15 If you look at the second paragraph, if  16 you look at the third line down it says, quote, we'll  17 make sure your loan closes right on time, guaranteed,  18 close quote.  19 Did I read that correctly?  20 A. Correct.  21 Q. And these were all in a letter that you  22 sent to Anthony Mendes; correct?  23 A. Correct.  24 Q. Now, if you look to the next page where  25 it says flexibility, do you see that?</p>	<p>1 that right?  2 A. That's correct.  3 Q. Now, Mr. Luongo, if you could go to  4 Exhibit-4, which is the residential loan application?  5 A. I have that.  6 Q. Okay.  7 In your residential loan application is  8 it comprised of four pages?  9 A. Total of four, yes.  10 Q. Okay.  11 And at the bottom right-hand corner is  12 there a Bates stamp number?  13 A. Bottom right-hand corner?  14 Q. Yes.  15 A. I'm sorry, a what?  16 Q. Is there a number -- does it say  17 PHH0105?  18 MR. GOLDSTEIN: It doesn't, Chris.  19 MR. TROMBETTA: It doesn't?  20 MR. GOLDSTEIN: No. It was pulled off  21 the complaint.  22 MR. TROMBETTA: Okay.  23 BY MR. TROMBETTA:  24 Q. Just to make sure we have the same  25 document, would you mind going to Exhibit-A in my</p>
Page 78	Page 80
<p>1 A. Yes.  2 Q. It says, quote, although you've been  3 approved for a specific loan amount, quote close.  4 Did I read that correctly?  5 A. Yes.  6 Q. And, again, it says approved; correct?  7 A. Yes.  8 Q. Doesn't say preapproved; correct?  9 A. Correct.  10 MR. GOLDSTEIN: Are you asking him what  11 the document says?  12 You're just wasting time here.  13 BY MR. TROMBETTA:  14 Q. Now, Mr. Luongo, did you ever receive  15 any documents -- strike that.  16 Do you remember ever receiving any  17 documents from Mr. Mendes concerning his income?  18 A. No.  19 Q. Okay.  20 Do you remember any issues with respect  21 to his purported income being incorrect?  22 A. I only went off what he told me.  23 Q. Right.  24 But you have no knowledge as to whether  25 any of that information was correct or incorrect; is</p>	<p>1 binder and there's a residential loan application  2 there --  3 A. Exhibit A.  4 MR. TROMBETTA: Mark that, please, as  5 Exhibit-6.  6 (Exhibit RL-6, Residential loan  7 application, is marked for identification.)  8 BY MR. TROMBETTA:  9 Q. Mr. Luongo, with respect to Exhibit-6,  10 at the top is it labeled residential loan  11 application?  12 A. Yes.  13 Q. And if you look at the bottom right-hand  14 corner you see the Bates Number PHH0105?  15 A. Correct.  16 Q. If you look at the remaining three pages  17 do they run consecutively from 0105 through 0108?  18 A. Yes.  19 Q. And could you, please, compare Exhibit-4  20 to Exhibit-6 and let me know if they're the same  21 document?  22 A. The first page is exactly the same, the  23 second page is the same -- it appears it's the same  24 exact document.  25 Q. Okay.</p>



Page 81	Page 83
<p>1 Thank you.</p> <p>2 If you could, please, let's just --</p> <p>3 let's keep working with Exhibit-6.</p> <p>4 If we could just go -- strike that.</p> <p>5 If we look at page one where it says</p> <p>6 subject property, do you see that?</p> <p>7 A. Yes.</p> <p>8 Q. There's an address listed there; is that</p> <p>9 right?</p> <p>10 A. Yes.</p> <p>11 Q. And the address is 1-3 Chilson Avenue,</p> <p>12 Mansfield, Mass.; is that right?</p> <p>13 A. Yes.</p> <p>14 Q. Okay.</p> <p>15 Did you have an understanding as to why</p> <p>16 that property was listed down?</p> <p>17 A. That was the property that the Mendeses</p> <p>18 were purchasing.</p> <p>19 Q. Now, if we go to the next page -- well,</p> <p>20 let me strike that.</p> <p>21 Okay.</p> <p>22 I'm sorry, if we go to the next page,</p> <p>23 please --</p> <p>24 A. Yes.</p> <p>25 Q. -- do you see the middle of the page</p>	<p>1 Q. Okay.</p> <p>2 And next to that under the borrower</p> <p>3 there's no listing for overtime; is that right?</p> <p>4 A. Yes.</p> <p>5 Q. Did you ever -- strike that.</p> <p>6 Do you remember ever discussing with Mr.</p> <p>7 Mendes whether he earned any overtime?</p> <p>8 A. I do not recall.</p> <p>9 Q. Let's go down to the next line where it</p> <p>10 says dividends, slash, interest, do you see that?</p> <p>11 A. Yes.</p> <p>12 Q. If you look under co-borrower there's a</p> <p>13 number seven hundred forty-eight; is that right?</p> <p>14 A. Correct.</p> <p>15 Q. Now, if you look at the top half of the</p> <p>16 document to the right side, second box down on the</p> <p>17 right do you see where it says employer Arbor</p> <p>18 Hospital?</p> <p>19 A. Yes.</p> <p>20 Q. And do you see the box it says monthly</p> <p>21 income?</p> <p>22 A. Yes.</p> <p>23 Q. What's the amount in that box?</p> <p>24 A. Seven four eight.</p> <p>25 Q. Okay.</p>
Page 82	Page 84
<p>1 where it says Roman Numeral V, monthly income and</p> <p>2 combined housing expenses -- or expense information?</p> <p>3 A. Yes.</p> <p>4 Q. Okay.</p> <p>5 To the left there's something that says</p> <p>6 gross monthly income, do you see that?</p> <p>7 A. Yes.</p> <p>8 Q. And below that you see a list of items;</p> <p>9 is that right?</p> <p>10 A. Yes.</p> <p>11 Q. And are those the items that would be</p> <p>12 considered in determining whether or not a borrower</p> <p>13 and co-borrower would qualify for a mortgage?</p> <p>14 A. The incomes listed?</p> <p>15 Q. Yes.</p> <p>16 A. It's one of the items.</p> <p>17 Q. One of the items.</p> <p>18 But those are the items -- strike that.</p> <p>19 Those are at least some of the items</p> <p>20 that are considered; correct?</p> <p>21 A. Correct.</p> <p>22 Q. Now, I see that there -- with respect to</p> <p>23 the co-borrower I see that there is overtime listed</p> <p>24 there, do you see that?</p> <p>25 A. Yes.</p>	<p>1 So if we go back to dividends/interest</p> <p>2 what's the number in that box?</p> <p>3 A. Seven four eight.</p> <p>4 Q. Does that figure -- strike that.</p> <p>5 Does that figure constitute the amount</p> <p>6 of income earned by the second job of Mrs. Mendes?</p> <p>7 A. Yes.</p> <p>8 Q. Now, if you go to the left of that</p> <p>9 number do you see a figure one thousand five hundred</p> <p>10 seventy-five dollars, do you know what that figure</p> <p>11 represents?</p> <p>12 A. I'm sorry, where -- where is the one</p> <p>13 thousand five hundred?</p> <p>14 Q. Do you see in the middle of the</p> <p>15 document --</p> <p>16 A. Okay.</p> <p>17 Q. -- there's a section Roman Numeral V --</p> <p>18 A. Yes.</p> <p>19 Q. -- go down to where it says seven</p> <p>20 forty-eight --</p> <p>21 A. Yes.</p> <p>22 Q. -- and to the left of that under</p> <p>23 borrower there's a number that says one thousand five</p> <p>24 hundred seventy-five, do you see that?</p> <p>25 A. Yes.</p>

1 Q. Do you know what that number represents?  
 2 A. Looks like it's under dividend/interest  
 3 line.  
 4 Q. And to the right of that there's the  
 5 number seven hundred and forty-eight; is that right?  
 6 A. Yes.  
 7 Q. Is seven hundred forty-eight a dividend?  
 8 (Objection) MR. GOLDSTEIN: Objection.  
 9 THE WITNESS: It could be a dividend or  
 10 interest, I -- I don't recall.  
 11 BY MR. TROMBETTA:  
 12 Q. Well, if you look up above where it says  
 13 monthly income, seven hundred forty-eight dollars, do  
 14 you see that?  
 15 A. Yes.  
 16 Q. Okay.  
 17 And it's your testimony that that figure  
 18 is listed on the dividend/interest line; correct?  
 19 A. Yes.  
 20 (Objection) MR. GOLDSTEIN: Objection.  
 21 BY MR. TROMBETTA:  
 22 Q. So is it your belief that the seven  
 23 forty-eight listed on the dividend/interest line  
 24 relates to the amount earned by Doris Mendes in her  
 25 second job?

1 A. I can't say that for sure, it could be a  
 2 mistake or a clerical error based on the computer,  
 3 that's why the customer needs to go over the  
 4 application and make any changes that they need to  
 5 before they -- the documents are sent out to the  
 6 customer, they have to review it, if there's anything  
 7 that's mistaken, they have to correct it.  
 8 Q. Okay.  
 9 Well, let me ask you this question then,  
 10 with respect to that monthly income -- strike that.  
 11 The monthly income from the second job  
 12 should be listed on the -- strike that.  
 13 The monthly income from the second job  
 14 should be listed in the blocks appearing underneath  
 15 Roman Numeral V which says monthly income; correct?  
 16 A. I'm sorry, what was the question?  
 17 Q. Okay.  
 18 Go to the top right-hand corner --  
 19 A. Yes.  
 20 Q. -- look at the box that says employer,  
 21 Arbor Hospital, do you see that?  
 22 A. Yes.  
 23 Q. And in the right lower box next to that  
 24 it says monthly income, do you see that?  
 25 A. Seven forty-eight.

1 Q. Right.  
 2 That amount should appear in one of the  
 3 blocks under Roman Numeral V that says monthly  
 4 income; correct?  
 5 A. Yes.  
 6 Q. Do you see that there is seven  
 7 forty-eight next to dividend, slash, interest;  
 8 correct?  
 9 A. Yes.  
 10 Q. Now, Mr. Luongo, could you go to the  
 11 next page, please?  
 12 A. 0107?  
 13 Q. That's right.  
 14 I believe you indicated that you  
 15 consulted the borrower's credit history when  
 16 completing an application; is that right?  
 17 A. That's correct.  
 18 Q. Okay.  
 19 And where did you input -- strike that.  
 20 When you conducted that credit check did  
 21 you input any information from that check on the  
 22 application?  
 23 A. During the application process --  
 24 Q. Yes.  
 25 A. -- the computer system does not look as

1 it does on the actual 1003, which is the actual  
 2 application, whereas, it's listed on the residential  
 3 loan application, also known as a 1003, that is done  
 4 in the computer system with the actual tri-merge from  
 5 Equifax, TransUnion or TRW.  
 6 Q. You're using a lot of acronyms I'm not  
 7 familiar with.  
 8 A. Those are the three credit reports to be  
 9 run from the three major companies, again, which is  
 10 TRW, TransUnion and Equifax --  
 11 Q. Right.  
 12 A. -- so anything that's listed on the 1003  
 13 form here and the residential loan application is in  
 14 a different form as opposed to when I do it on the  
 15 computer.  
 16 Q. Right.  
 17 Which is fine, I'm just asking you if  
 18 any information from those credit reports is inserted  
 19 into this residential loan application?  
 20 A. Everything from the credit report that,  
 21 I believe, is being paid on is going to be listed on  
 22 the actual application.  
 23 Q. I'm sorry, that is being what?  
 24 A. That is actually has a balance or if  
 25 money is owed on that would be listed on the actual

Page 89	Page 91
<p>1 application --</p> <p>2 Q. Okay.</p> <p>3 A. -- as listed as liabilities.</p> <p>4 Q. Okay.</p> <p>5 I understand that.</p> <p>6 Now, with respect to the left where it</p> <p>7 says assets --</p> <p>8 A. Yes.</p> <p>9 Q. -- those numbers, are those taken from</p> <p>10 the credit report?</p> <p>11 A. No, that's taken from the customer,</p> <p>12 that's what the customer is telling me.</p> <p>13 Q. Okay.</p> <p>14 Now, if you go to the last page --</p> <p>15 A. 0108?</p> <p>16 Q. That's right.</p> <p>17 And at the bottom I believe you</p> <p>18 indicated that it's a computer generated copy of your</p> <p>19 signature; correct?</p> <p>20 A. Yes.</p> <p>21 Q. And that's in Roman Numeral X?</p> <p>22 A. Yes.</p> <p>23 Q. And above that under Roman Numeral IX</p> <p>24 there are two blanks, do you see those?</p> <p>25 A. Yes, for borrower's signature and</p>	<p>1 Q. You don't know if Mr. and Mrs. Mendes</p> <p>2 ever received a copy of this application; correct?</p> <p>3 A. If they did not receive it I would</p> <p>4 receive a phone call.</p> <p>5 Q. Well, my question is do you know if they</p> <p>6 received the residential loan application, you don't;</p> <p>7 correct?</p> <p>8 A. I don't recall if they received it or</p> <p>9 not.</p> <p>10 Q. Now, you haven't seen an executed loan</p> <p>11 application during the deposition; is that correct?</p> <p>12 A. No, I haven't. I haven't seen one with</p> <p>13 their signature.</p> <p>14 Q. Excuse me?</p> <p>15 A. I haven't seen a residential loan</p> <p>16 application with the Mendeses' signature.</p> <p>17 Q. Right.</p> <p>18 Just give me a minute here.</p> <p>19 MR. TROMBETTA: Go to Exhibit B,</p> <p>20 there's a document there, it says government</p> <p>21 underwriting worksheet, could you please mark that as</p> <p>22 Exhibit-7?</p> <p>23 (Exhibit RL-7, Government underwriting</p> <p>24 worksheet, is marked for identification.)</p> <p>25 BY MR. TROMBETTA:</p>
Page 90	Page 92
<p>1 co-borrower's signature?</p> <p>2 Q. Right.</p> <p>3 And there's no signature in those</p> <p>4 blocks; correct?</p> <p>5 A. That's correct.</p> <p>6 Q. Now, you indicated that a member of your</p> <p>7 team should fax this application to Mr. and Mrs.</p> <p>8 Mendes; correct?</p> <p>9 A. It does not get fax'd. The original</p> <p>10 gets sent to them in the mail -- or, actually, it's</p> <p>11 overnighted to the customers.</p> <p>12 Q. Okay.</p> <p>13 I'm sorry, you indicated that a member</p> <p>14 of your team should send via FedEx or mail a copy of</p> <p>15 this residential loan allocation to Mr. and Mrs.</p> <p>16 Mendes; correct?</p> <p>17 A. This is the one of many pieces of the</p> <p>18 mortgage application that gets sent.</p> <p>19 Q. Right.</p> <p>20 But I'm just asking you a member of your</p> <p>21 team, you understood, would do that; correct?</p> <p>22 A. Would send it out, yes, correct.</p> <p>23 Q. And you don't know if members of your</p> <p>24 team sent every piece of information; correct?</p> <p>25 A. Not that I'm aware of.</p>	<p>1 Q. Mr. Luongo, are you looking at</p> <p>2 Exhibit-7?</p> <p>3 A. Yes, I am.</p> <p>4 Q. Can you identify Exhibit-7?</p> <p>5 A. States at the top government</p> <p>6 underwriting worksheet.</p> <p>7 Q. Have you ever seen -- well, strike that.</p> <p>8 Had you ever seen a completed government</p> <p>9 underwriting worksheet during the time you worked for</p> <p>10 Cendant?</p> <p>11 A. It's not my department.</p> <p>12 Q. My question, though, is did you ever see</p> <p>13 one?</p> <p>14 A. No.</p> <p>15 Q. Let me just ask you a quick question</p> <p>16 though -- now, I understand you haven't seen this</p> <p>17 document, but do you see in the middle where it says</p> <p>18 stable monthly income?</p> <p>19 A. I'm sorry, where?</p> <p>20 Q. In the middle on the left-hand side it</p> <p>21 says stable monthly income, do you see that?</p> <p>22 A. Stable --</p> <p>23 Q. Let me strike the question.</p> <p>24 Do you see where it says Section 2,</p> <p>25 underwriting information?</p>



24 (Pages 93 to 96)

Page 93

1 A. Yes.  
 2 Q. Underneath that it says sales price, do  
 3 you see that?  
 4 A. Yes.  
 5 Q. Underneath that it says lock status?  
 6 A. Yes.  
 7 Q. And underneath that line it says stable  
 8 monthly income, do you see that?  
 9 A. Yes.  
 10 Q. Okay.  
 11 Now, the first line says base income;  
 12 correct?  
 13 A. Yes.  
 14 Q. Now, the next line says second income,  
 15 do you see that?  
 16 A. Yes.  
 17 Q. And under the co-borrower it says zero;  
 18 correct?  
 19 A. I have base income for borrower three  
 20 six seven one point nine one and co-borrower it says  
 21 three thousand eighty-seven point eighty-four.  
 22 Q. Right.  
 23 And that's the base income?  
 24 A. That's the base. Second income is zero  
 25 for everybody.

Page 94

1 Q. Now, if you could, please, if you could  
 2 go back to -- I think it's Exhibit-6 is the loan  
 3 application; correct?  
 4 A. Yes.  
 5 Q. And if you go up to the top right-hand  
 6 corner of page two --  
 7 A. Yes.  
 8 Q. -- where it says employer, Arbor  
 9 Hospital; correct?  
 10 A. Yes.  
 11 Q. And to the right it says monthly income,  
 12 seven hundred forty-eight dollars; correct?  
 13 A. Yes.  
 14 Q. That would be the amount of income  
 15 received from Mrs. Mendes as to her second job;  
 16 correct?  
 17 A. Yes.  
 18 Q. And that information is not listed in  
 19 Exhibit-7; correct?  
 20 MR. GOLDSTEIN: Chris, you keep saying  
 21 second job, is the section of the loan application  
 22 previous employer if less than two years?  
 23 There's no foundation for this  
 24 question.  
 25 MR. TROMBETTA: No, I don't think

Page 95

1 that's true.  
 2 MR. GOLDSTEIN: Previous employer of  
 3 less than two years, Arbor Hospital, 6/1/97 to  
 4 5/3/01.  
 5 MR. TROMBETTA: Okay.  
 6 Well, let me ask a different question.  
 7 BY MR. TROMBETTA:  
 8 Q. If we go back to Exhibit-6, please --  
 9 A. Um-hum.  
 10 Q. -- if there was a second employer where  
 11 would that be listed on the application?  
 12 A. For page 0106?  
 13 Q. If you're looking at Exhibit-6 --  
 14 A. Yes.  
 15 Q. -- I'm asking if there's a second job  
 16 where would that be listed on the application?  
 17 A. It would say second job or second  
 18 employer.  
 19 Q. Well, that's what I'm asking --  
 20 A. It would be listed on the page.  
 21 Q. Which page?  
 22 A. I believe it would be on page 0106.  
 23 Q. Where would it be listed?  
 24 A. If they had a second job looks like  
 25 there would be a space for it, if they had a

Page 96

1 secondary income for a second employer looks like  
 2 there would be a space provided.  
 3 Q. Okay.  
 4 So where it says employer, Arbor  
 5 Hospital --  
 6 A. Um-hum.  
 7 Q. -- when you completed this application  
 8 your understanding -- well, strike that.  
 9 When you placed the name Arbor Hospital  
 10 you did that under the heading previous employer;  
 11 correct?  
 12 A. I didn't place any information on the  
 13 form.  
 14 Q. Excuse me?  
 15 A. I didn't place any of the information on  
 16 the form.  
 17 Q. On the application?  
 18 A. I don't do that, that's not my job.  
 19 Q. Okay.  
 20 Well, let me ask you a question.  
 21 We're talking about Exhibit-6; correct?  
 22 A. Yes.  
 23 Q. And that's your signature on page four?  
 24 A. Yes.  
 25 Q. And you didn't take down any of this

Page 97	Page 99
<p>1 information and put it on the sheet?</p> <p>2 A. All the information was taken down and</p> <p>3 in the computer, the computer designs the sheet and</p> <p>4 sends it out.</p> <p>5 Q. Well, who put the information in the</p> <p>6 computer?</p> <p>7 A. I do.</p> <p>8 Q. Okay.</p> <p>9 So with respect to what's printed out</p> <p>10 you inputted the information in the computer; is that</p> <p>11 correct?</p> <p>12 A. That is correct.</p> <p>13 Q. So you had to put in information which</p> <p>14 would have caused -- Arbor Hospital would be printed</p> <p>15 out under previous employer; correct?</p> <p>16 A. If it was a previous employer, then it</p> <p>17 was a previous employer. If it was a secondary job</p> <p>18 that she's currently still working, then it would be</p> <p>19 a secondary job. I cannot recall the conversation.</p> <p>20 As things are told to me, that's how I entered it</p> <p>21 into the computer.</p> <p>22 Q. And, then again, if we go to Roman</p> <p>23 Numeral V, do you see the figure seven hundred</p> <p>24 forty-eight dollars; correct?</p> <p>25 A. Yes.</p>	<p>1 sent back his information and the underwriter is</p> <p>2 actually taking actual information the customer sent,</p> <p>3 like paystubs, bank statements, to arrive to that</p> <p>4 number or not, so I don't -- I really can't answer</p> <p>5 that.</p> <p>6 Q. Okay.</p> <p>7 All right. On Exhibit-7 under stable</p> <p>8 monthly income there's another block that says ratio,</p> <p>9 do you see that?</p> <p>10 A. Yes.</p> <p>11 Q. And the first ratio is primary housing</p> <p>12 expense, slash, income --</p> <p>13 A. Correct.</p> <p>14 Q. -- is that correct?</p> <p>15 What ratio needed to exist to qualify</p> <p>16 for an FHA loan?</p> <p>17 A. It could be anywhere from twenty-eight</p> <p>18 to thirty-five percent.</p> <p>19 Q. Okay.</p> <p>20 A. The government preferred twenty-eight</p> <p>21 percent.</p> <p>22 Q. Is it twenty-nine percent?</p> <p>23 A. Or twenty-nine.</p> <p>24 (Objection) MR. GOLDSTEIN: I'm going to object.</p> <p>25 There's no foundation.</p>
Page 98	Page 100
<p>1 Q. Again, you don't recall whether Mr. --</p> <p>2 strike that.</p> <p>3 You don't recall whether Mrs. Mendes had</p> <p>4 a second job or didn't have a second job; is that</p> <p>5 right?</p> <p>6 A. No, if she had a second job it would</p> <p>7 appear on the application, if there was a secondary</p> <p>8 income.</p> <p>9 Q. And the secondary income would be</p> <p>10 listed; correct?</p> <p>11 A. Correct.</p> <p>12 Q. If we could just go to item seven --</p> <p>13 strike that.</p> <p>14 If we could go to Exhibit-7, please --</p> <p>15 A. Yes.</p> <p>16 Q. -- and, again, if we're looking in the</p> <p>17 middle do you know where the figures are obtained --</p> <p>18 strike that.</p> <p>19 With respect to the figures that appear</p> <p>20 in the stable monthly income on Exhibit-7 do you know</p> <p>21 from where those figures are obtained?</p> <p>22 A. No. I take that it that they would be</p> <p>23 obtained by the information I provided, but, then</p> <p>24 again, if -- I don't know what process that this form</p> <p>25 is in, so I don't know whether the customer actually</p>	<p>1 THE WITNESS: I mean, there are plenty</p> <p>2 of variables to have for that -- for the ratio, it's</p> <p>3 just a guideline.</p> <p>4 BY MR. TROMBETTA:</p> <p>5 Q. Okay.</p> <p>6 Now, if you look -- the next line it</p> <p>7 says total obligation, slash, income, do you see</p> <p>8 that?</p> <p>9 A. Yes.</p> <p>10 Q. And then there's a percentage there, do</p> <p>11 you see that?</p> <p>12 A. Yes.</p> <p>13 Q. What percentage needed -- strike that.</p> <p>14 What's the highest percentage that could</p> <p>15 appear there to qualify for an FHA loan --</p> <p>16 (Objection) MR. GOLDSTEIN: Objection.</p> <p>17 BY MR. TROMBETTA:</p> <p>18 Q. -- if you remember?</p> <p>19 A. There's really no answer to that</p> <p>20 question.</p> <p>21 Q. Why is that?</p> <p>22 A. Because every loan, whether it's an FHA</p> <p>23 loan, there are many different variables for that and</p> <p>24 the bank or the mortgage company is going to look at</p> <p>25 that as a way of saying, okay, hey, I've got a guy</p>

26 (Pages 101 to 104)

Page 101

1 coming in, he's going to put fifty percent down, but  
 2 his ratio -- he has a fifty percent debt ratio, what  
 3 do you think makes sense to the bank, I'll do the  
 4 loan because of the fact if he forecloses I'm way  
 5 ahead because I got a house that he already gave me  
 6 fifty percent worth of the value --

7 Q. Okay.

8 With respect to --

9 A. -- I mean --

10 Q. -- primary housing --

11 A. -- looking at the ratios, I mean, it  
 12 depends on the customer basis, I mean, what the  
 13 actual risk the customer poses, and credit is part of  
 14 that, assets.

15 Q. Okay.

16 And I'm not trying to --

17 A. Oh, no, I'm just explaining to you --

18 Q. -- I'm not trying to be difficult,  
 19 primary housing expense, slash, income you gave me a  
 20 percentage range --

21 A. I mean, there's really -- I can sit  
 22 there and say they're used as a guideline in the  
 23 industry, but really -- there's really no answer to  
 24 the question as far as, you know, what range, you  
 25 know, can someone be approved or declined on, there

Page 102

1 really is, you know -- in a perfect world it would be  
 2 standard twenty-nine, forty-two.

3 Q. A twenty-nine, forty-two, you believe  
 4 that was enough to go ahead and qualify for the loan?  
 5 (Objection) MR. GOLDSTEIN: Objection.

6 THE WITNESS: I would not say that, I  
 7 mean, I -- a twenty-nine, forty-two is pretty much a  
 8 standard thing for the government.

9 BY MR. TROMBETTA:

10 Q. Okay.

11 Now, the other thing is you did send out  
 12 a letter saying that the Mendeses -- strike that.

13 If you go to Exhibit-3, you did send  
 14 that letter to Mr. and Mrs. Mendes; correct -- strike  
 15 that.

16 You did send that letter to Anthony  
 17 Mendes; correct?

18 A. Yes, correct.

19 Q. And that letter does state that he's  
 20 approved for an FHA loan; correct?

21 (Objection) MR. GOLDSTEIN: Objection.

22 THE WITNESS: Correct.

23 BY MR. TROMBETTA:

24 Q. And before you sent that letter there  
 25 were financial perimeters that were reviewed in the

Page 103

1 computer; correct?

2 A. Yes.

3 Q. And that computer had data which  
 4 analyzed requirements for FHA loans; correct?

5 A. I'm sorry? I didn't get the last part.

6 Q. You indicated that the computer  
 7 contained software which enabled it to consider  
 8 government requirements for FHA loans; correct?

9 A. Correct.

10 Q. And before you sent this letter you ran  
 11 the financial information through the computer;  
 12 correct?

13 A. Correct.

14 Q. And that computer uses software as --  
 15 strike that.

16 And the software in the computer that  
 17 related to government requirement was accessed in  
 18 connection to review the financial information  
 19 provided; correct?

20 (Objection) MR. GOLDSTEIN: Objection.

21 THE WITNESS: One of the variables.

22 BY MR. TROMBETTA:

23 Q. And after that review you were able to  
 24 obtain this letter, which has been marked as  
 25 Exhibit-3; correct?

Page 104

1 A. As an approval letter.

2 Q. Which is Exhibit-3; correct?

3 A. Yeah. You're calling it approval  
 4 letter, I'm calling it preapproval letter.

5 Q. Okay.

6 Now, Mr. Luongo, do you have any reason  
 7 to believe that Exhibit-3 is not a true and accurate  
 8 copy of the letter that was fax'd to Mr. Mendes?

9 A. It appears as a true letter to me.

10 Q. I'm sorry, I couldn't hear your answer.

11 A. It appears as a letter that would be  
 12 sent, it looks like the original, I, you know --

13 Q. You believe it's a true and accurate  
 14 copy?

15 (Objection) MR. GOLDSTEIN: Objection.

16 BY MR. TROMBETTA:

17 Q. I'm just asking you, Mr. Luongo, do you  
 18 believe that Exhibit-3 is a true and accurate copy of  
 19 the letter that you sent to Mr. Mendes?

20 (Objection) MR. GOLDSTEIN: Objection.

21 THE WITNESS: I -- I guess, I mean,  
 22 we're talking something here from 2001.

23 BY MR. TROMBETTA:

24 Q. Do you have any reason to believe it's  
 25 not a true and accurate copy?

<p style="text-align: right;">Page 105</p> <p>1 (Objection) MR. GOLDSTEIN: Objection.  2 THE WITNESS: No.  3 BY MR. TROMBETTA:  4 Q. Now --  5 MR. GOLDSTEIN: Are you asking about  6 the two pages that we have or --  7 MR. TROMBETTA: Well, that's all there  8 is to Exhibit-3; correct?  9 MR. GOLDSTEIN: Well, you know, your  10 question's vague as to whether you're asking about  11 the two pages we have or whether you're asking if  12 it's complete.  13 MR. TROMBETTA: I asked about  14 Exhibit-3, so --  15 MR. GOLDSTEIN: Well --  16 BY MR. TROMBETTA:  17 Q. Now --  18 (Objection) MR. GOLDSTEIN: That's my objection,  19 just so you know.  20 MR. TROMBETTA: That's fine.  21 I believe the residential loan  22 application we marked a second copy as Exhibit-6;  23 correct.  24 MR. GOLDSTEIN: Yes.  25 MR. TROMBETTA: Okay.</p>	<p style="text-align: right;">Page 107</p> <p>1 A. No.  2 Q. Do you have -- strike that.  3 So you never sent a copy of Exhibit-8 to  4 borrowers during the time you worked at Cendant;  5 correct?  6 A. Correct. This is a completely different  7 department. The only way to get to that thing is  8 when we have an actual subject property and I start a  9 mortgage process. I can never send a file commitment  10 letter to a customer. No originator or senior loan  11 consultant has the power or authority to do that.  12 Q. Okay.  13 I understand what you're saying, but my  14 question is you never sent a copy of Exhibit-8 to any  15 borrower during the time you worked at Cendant;  16 correct?  17 A. That's correct.  18 Q. I'm sorry, I'm just going through my  19 notes, so --  20 Now, Mr. Luongo, I see from the  21 application -- well, strike that.  22 I see from Exhibit-3 that you issued a  23 letter indicating on it terms which say FHA approval;  24 correct?  25 A. Correct.</p>
<p style="text-align: right;">Page 106</p> <p>1 BY MR. TROMBETTA:  2 Q. Now, other than the designations in the  3 bottom right-hand corner, PHH0105 through 0108, do  4 you have any reason to believe that the application  5 is anything other than a true and accurate copy of  6 the application that was prepared in June of 2001?  7 A. No.  8 MR. TROMBETTA: Go to Exhibit C in my  9 binder, please, and there's a document that says  10 final commitment, if you could, please, mark that as  11 Exhibit-8.  12 (Exhibit RL-8, Final commitment, is marked  13 for identification.)  14 BY MR. TROMBETTA:  15 Q. Mr. Luongo, have you ever seen a copy of  16 Exhibit-8 before?  17 A. Not for the Mendeses.  18 Q. Okay.  19 Have you seen -- well, strike that.  20 Have you seen copies of Exhibit-8 while  21 you worked at Cendant?  22 A. No.  23 Q. Have you ever seen copies of Exhibit-8  24 that applied to other individuals while you worked at  25 Cendant?</p>	<p style="text-align: right;">Page 108</p> <p>1 Q. Did you ever conduct an analysis to see  2 if Mr. and Mrs. Mendes qualified for a conventional  3 mortgage?  4 A. That would be in the computer file if I  5 did that, every program that I run for them would be  6 on there.  7 Q. So you don't know if you did or you  8 didn't?  9 A. I can't recall. I know the type of  10 property he wanted would require a lot more money  11 down and that's why I would go with an FHA with what  12 he looked to do.  13 Q. Okay.  14 And with respect to a conventional  15 mortgage I think you indicated that the minimum down  16 payment would be five percent; is that correct?  17 A. That's correct.  18 Q. And as to a five percent down payment do  19 you recall what the -- well, strike that.  20 If a five percent down payment was put  21 down as to a conventional mortgage do you know what  22 the minimum percentage would be with respect to  23 primary housing expense to income?  24 A. With five percent down?  25 Q. Yes.</p>

Page 109

1 If you remember.  
2 A. I don't recall. Like the debt to income  
3 ratios.  
4 Q. I suppose -- to tell you the truth, if  
5 you go to Exhibit-7 --  
6 A. The ratio, primary housing expense,  
7 total obligation --  
8 Q. Right.  
9 And I understand that, you know, you  
10 haven't seen Exhibit-7 and this applies to a  
11 different type of loan, but I'm just saying with a  
12 conventional mortgage the percentage as to primary  
13 housing expense, slash, income what would be an  
14 acceptable percentage if five percent was put down as  
15 to a conventional mortgage?  
16 (Objection) MR. GOLDSTEIN: Objection.  
17 THE WITNESS: Again, I really can't  
18 answer that because there's no -- no question on  
19 that.  
20 BY MR. TROMBETTA:  
21 Q. I'm sorry, there's no question on that?  
22 A. And there's really no answer, I mean,  
23 you can have a standard for the debt to income  
24 ratios, conventional like thirty-three, thirty-eight  
25 or twenty-eight, thirty-six, you know, based on the

Page 110

1 percent that's down.  
2 Q. Okay.  
3 And what about total obligation, slash,  
4 income what would have been acceptable percentages  
5 for five percent down conventional mortgage purchase?  
6 A. I'm sorry, could you repeat the  
7 question?  
8 Q. Sure.  
9 If you look at Exhibit-7 the second  
10 ratio says total obligation, slash, income, do you  
11 see that?  
12 A. Um-hum.  
13 Q. In connection with a conventional  
14 mortgage where five percent was placed down as a down  
15 payment what would have been an acceptable percentage  
16 with respect to total obligation, slash, income?  
17 (Objection) MR. GOLDSTEIN: Objection.  
18 THE WITNESS: If you're looking at the  
19 industry standard of the guideline it would be like  
20 thirty-eight percent from what I remember back then,  
21 and, again, that's just a guide, again, there are  
22 many variables to go above a ratio or of an  
23 acceptable ratio.  
24 BY MR. TROMBETTA:  
25 Q. So you don't remember what the

Page 111

1 percentage might have been?  
2 A. Correct.  
3 MR. GOLDSTEIN: Do you have much more,  
4 Chris?  
5 MR. TROMBETTA: A little bit more.  
6 MR. GOLDSTEIN: Just so you know,  
7 Claire Taylor is here, and I'll need a break.  
8 MR. TROMBETTA: We can take a short  
9 break and then start doing her, as well.  
10 BY MR. TROMBETTA:  
11 Q. And, Mr. Luongo, you don't recall ever  
12 sending anything to Mr. and Mrs. Mendes indicating  
13 that they didn't qualify for a loan; is that right?  
14 A. I don't recall. From -- based on doing  
15 applications as originator if something was declined  
16 we pretty much just tell them, hey, that sale price  
17 is too high, we need to bring it down. I would never  
18 send anything saying you were not approved because  
19 it's just a preapproval, I'm just in the preapproval  
20 stage, so I really don't have the authority to send  
21 something, no, I just can go to what they are  
22 approved on based on what they tell me.  
23 You can -- actually, looking at  
24 Exhibit-7 --  
25 Q. Well, I'm just going to move to strike

Page 112

1 the last part of the response because I don't think  
2 it --  
3 A. I'm just looking at the incomes and --  
4 Q. Respectfully, I'll just ask you some  
5 questions.  
6 A. No problem.  
7 I was going into one of the variables  
8 looking for a preapproval --  
9 Q. Right.  
10 A. -- to answer -- to help you out with  
11 your scenario.  
12 You had mentioned -- at Section 2 on  
13 Exhibit-7 you had mentioned the different types of  
14 incomes, one of the variables here I see would be the  
15 positive cash flow from the subject property, that to  
16 me is one of the variables for an approval, as well.  
17 Q. Okay.  
18 With respect to Exhibit-7 where it says  
19 nine hundred fifty-five dollars and fifty cents, do  
20 you know what that refers to?  
21 A. I would take it --  
22 (Objection) MR. GOLDSTEIN: Objection.  
23 THE WITNESS: -- I would take it since  
24 the customer's purchasing a three-unit property that  
25 he's expecting rental income from the two other



<p style="text-align: right;">Page 113</p> <p>1 units, which he had -- looks like he has to submit  2 information for that that it is going to produce that  3 amount of money.  4 BY MR. TROMBETTA:  5 Q. And what is the figure nine  6 fifty-five -- well, strike that.  7 The nine -- strike that.  8 You don't know what the nine fifty-five  9 fifty refers to; is that correct?  10 A. Right now it looks -- like based on this  11 government underwriting worksheet it shows positive  12 cash flow subject property, to me I believe it would  13 be income the customer is using to qualify for the  14 property, that he's getting income from the actual  15 other two units in the property.  16 Q. All right.  17 Let me ask you a different question --  18 MR. GOLDSTEIN: Hey, Chris?  19 MR. TROMBETTA: Yeah.  20 MR. GOLDSTEIN: May I make a  21 suggestion?  22 MR. TROMBETTA: What is it?  23 MR. GOLDSTEIN: You're asking a loan  24 originator underwriting questions for which there's  25 no foundation of which he has no basis to answer.</p>	<p style="text-align: right;">Page 115</p> <p>1 the customer is also told that they need -- we're  2 using this for a preapproval and, then again, if they  3 do decide to purchase a property they have to have an  4 exact amount and, again, a signed letter or an  5 agreement for a lease for one full year.  6 BY MR. TROMBETTA:  7 Q. Okay.  8 Now, you indicated you use seventy-five  9 percent of the rental amount; is that right?  10 A. That's correct, if someone was  11 purchasing -- or going to lease an apartment or a  12 unit for, say, one thousand dollars, I would use  13 seven hundred and fifty dollars.  14 Q. Why would you use only seventy-five  15 percent?  16 (Objection) MR. GOLDSTEIN: Objection.  17 THE WITNESS: We use the other  18 twenty-five percent for maintenance on the property.  19 BY MR. TROMBETTA:  20 Q. And from where did you get -- strike  21 that.  22 Was there a basis for using the  23 seventy-five percent figure?  24 (Objection) MR. GOLDSTEIN: Objection.  25 THE WITNESS: That's what I was taught.</p>
<p style="text-align: right;">Page 114</p> <p>1 MR. TROMBETTA: Right.  2 MR. GOLDSTEIN: You know who the  3 underwriter was.  4 MR. TROMBETTA: I'm going to ask him a  5 different question.  6 MR. GOLDSTEIN: Okay.  7 BY MR. TROMBETTA:  8 Q. Mr. Luongo, if a customer called you  9 asking for a loan as to a multifamily unit would you  10 include as part of the qualifying income a percentage  11 of rent which the borrower would receive?  12 (Objection) MR. GOLDSTEIN: Objection.  13 THE WITNESS: That depends on a  14 case-by-case scenario. I would let the customer know  15 that I could only use that information if he had a  16 signed one-year contract from a tenant for that unit  17 for an exact amount, if he is not sure what the unit  18 can actually go for on a month-to-month basis we ask  19 the real estate agent, sometimes we ask to lowball  20 the amount if the agent's not sure because if it's  21 going to be a determining factor, if they get  22 approved for a property or use it as a preapproval  23 for a property then we like to lowball because  24 whatever the figure is I will take seventy-five  25 percent of that to use in the qualification process,</p>	<p style="text-align: right;">Page 116</p> <p>1 BY MR. TROMBETTA:  2 Q. By whom?  3 A. It's pretty much a standard in the  4 industry, that's what the guidelines are for that  5 program.  6 Q. What guideline?  7 A. The guidelines for the FHA program.  8 Q. Now, are those guidelines published --  9 strike that.  10 How are those guidelines brought to your  11 attention?  12 A. It's written down in a program, they  13 list me down -- if I have a program, Program 880,  14 which is an FHA thirty year mortgage, I think that's  15 the program, if I remember, it's been five years for  16 me, six years, but you go into that program and it  17 will tell me every single detail about that program,  18 what can I use for rental, what can I use for this,  19 that, you know, etcetera --  20 Q. Okay.  21 Now --  22 A. -- so they are written down somewhere.  23 Q. If there were three units could the  24 borrower occupy a unit other than the bigger unit in  25 connection with trying to qualify -- strike that.</p>



Page 117

1 Could the borrower occupy the smaller of  
2 a multi-unit facility in connection with presenting  
3 qualifying income that he could use to qualify for a  
4 loan?

5 (Objection) MR. GOLDSTEIN: Objection.

6 THE WITNESS: I don't know, as far as I  
7 know he's buying a house, he's living in one of the  
8 units, I don't get in any kind of discussion as far  
9 as the size of the house, the size of this unit, that  
10 unit, the other unit, he's purchasing a house, I  
11 guess he could live in any unit he wants to.

12 BY MR. TROMBETTA:

13 Q. And the other two units he could use --  
14 strike that.

15 As to the other two units he could use  
16 that rent as to whether -- strike that.

17 And as to the other two units he could  
18 use that income as to whether he qualifies for a  
19 loan; correct?

20 (Objection) MR. GOLDSTEIN: Objection.

21 THE WITNESS: I -- I don't know,  
22 depends which unit he's renting out --

23 BY MR. TROMBETTA:

24 Q. Well, that's what I'm asking --

25 A. -- you know, I mean --

Page 118

1 Q. -- let's just say, for example, there's  
2 a three unit facility and the borrower is going to  
3 occupy an apartment that's smaller than at least one  
4 of the others, the rent attributable to the other two  
5 units would be used by you after your multiplication  
6 times point seven five as income which could be  
7 considered as to whether he qualifies for a loan;  
8 correct?

9 (Objection) MR. GOLDSTEIN: Objection.

10 THE WITNESS: So you're basically  
11 asking me could he live in a smaller unit and rent  
12 out the other units that are larger?

13 BY MR. TROMBETTA:

14 Q. Yes.

15 A. I guess so.

16 MR. TROMBETTA: That's all I have.

17 Thank you, Mr. Luongo.

18 Do you have anything further?

19 MR. GOLDSTEIN: Actually, I do have  
20 just a couple minutes.

21 (EXAMINATION OF MR. LUONGO BY MR. GOLDSTEIN:)

22 Q. Mr. Luongo, you mentioned that you kept  
23 a call log while you were working at Cendant  
24 Mortgage; is that correct?

25 A. Yes, it was based on the computer.

Page 119

1 Q. And what was involved -- was that a  
2 policy of Cendant Mortgage?

3 A. Yes.

4 Q. And what was the policy?

5 A. Every time you enter into a file --

6 (Objection) MR. TROMBETTA: I'll object.

7 But go ahead.

8 THE WITNESS: -- every time you went  
9 into a customer's file, I would pull it up by their  
10 phone number or last name, comes across, I can open  
11 it up, any time I get out of the file -- the only way  
12 to get out of the actual file and close it would be  
13 to write in comments in the bottom screen stating  
14 comments, that stays with it, so we pretty much  
15 discuss, hey, if I spoke with the real estate agent  
16 or what type of conversation I had with the customer  
17 or the customer's close to a deal on a home or  
18 anything pertaining that's important to the actual  
19 deal.

20 BY MR. GOLDSTEIN:

21 Q. And is that a document that you --  
22 strike that.

23 Was that a procedure you were required  
24 to follow while at Cendant?

25 A. It was the only way to get out of a

Page 120

1 file, the only way to close a file, so it's  
2 procedure, standard procedure.

3 Q. Okay.

4 Let me show you document with Bates  
5 stamp PHH0211 to 0224, I'm going to ask you is  
6 that -- is that a call log for this case that was  
7 kept at Cendant Mortgage?

8 A. It appears to be, yes.

9 Q. Okay.

10 Is that a document that would be created  
11 in the ordinary course of business?

12 (Objection) MR. TROMBETTA: I'll object to that.

13 He's not a keeper of the record.

14 THE WITNESS: For me --

15 BY MR. GOLDSTEIN:

16 Q. Is that a procedure that you followed  
17 while --

18 A. -- any time I went into --

19 (Objection) MR. TROMBETTA: Well, objection.  
20 Getting a little confusing now.

21 THE WITNESS: -- any time I would open  
22 up the Mendes' file in the computer I would be able  
23 to go back -- anyone because we had a buddy system,  
24 another originator could actually open the file up  
25 and they could see everything that went on before,

Page 121	Page 123
<p>1 and that's the reason why we did the notes, you can 2 actually put a customer on hold, hold on, he can go 3 through all of the notes and see, okay, what's been 4 going on with this customer, the originator, and it 5 helps that originator become more familiar with 6 helping me out if I was unavailable, so basically -- 7 I mean, all the comments are there, they're going to 8 be there regardless -- 9 BY MR. GOLDSTEIN: 10 Q. Okay. 11 A. -- if I opened up a file from four years 12 ago, it's going to be there. 13 Q. Okay. 14 MR. GOLDSTEIN: Can we just have that 15 marked as Exhibit-9? 16 (Exhibit RL-9, Call log, is marked for 17 identification.) 18 BY MR. GOLDSTEIN: 19 Q. You indicated that the Mendeses would 20 have put down five percent for a conventional loan, 21 is that five percent based on your personal knowledge 22 or do you actually -- just estimating? 23 A. That's program requirements for a 24 conventional mortgage, five percent. 25 Q. Is that what it was, as far as you</p>	<p>1 A. You can put ten percent down. 2 Q. Okay. 3 A. Of course, twenty percent eliminates 4 private mortgage insurance. With five percent down 5 you're going to have PMI, private mortgage insurance. 6 MR. GOLDSTEIN: All right. 7 No more questions. 8 MR. TROMBETTA: You know, I did have 9 one more question. 10 If you could just, please, go to 11 Exhibit I, please, that's a residential loan 12 application there. 13 MR. GOLDSTEIN: Isn't that 6? 14 We already marked that, Chris, as 6? 15 MR. TROMBETTA: Yeah, but this is 16 different. 17 MR. GOLDSTEIN: Okay. 18 (Exhibit RL-10, Residential loan 19 application, is marked for identification.) 20 BY MR. TROMBETTA: 21 Q. Mr. Luongo, are you looking at 22 Exhibit-9? 23 MR. GOLDSTEIN: Isn't it 10? 24 MR. TROMBETTA: I'm sorry. 25 BY MR. TROMBETTA:</p>
Page 122	Page 124
<p>1 recall, back in June 2001? 2 (Objection) MR. TROMBETTA: I'll object. 3 THE WITNESS: For a Program 100, which 4 he looked at, which is a thirty-year standard fixed 5 mortgage, Program 100 would be five percent down. 6 BY MR. GOLDSTEIN: 7 Q. Program 100? 8 A. Yes. 9 Q. Would that be with any points or -- 10 A. You could -- 11 (Objection) MR. TROMBETTA: I'll object. 12 I mean, do he even remember the Mendeses? 13 MR. GOLDSTEIN: I didn't ask if he 14 remembered the Mendeses. 15 MR. TROMBETTA: Well, the question 16 assumes that he does. 17 MR. GOLDSTEIN: I don't think so. 18 Your objection is noted. 19 THE WITNESS: We're looking for five 20 percent down, a conventional mortgage, that would be 21 Program 100, to my knowledge, which is standard as a 22 minimum of five percent. 23 BY MR. GOLDSTEIN: 24 Q. I'm asking because earlier you said it 25 was five or ten percent, do --</p>	<p>1 Q. Mr. Luongo, are you looking at 2 Exhibit-10? 3 A. Yes. We skipped 9. Yes, we're on 10. 4 That's right, 9 is the call log. 5 I'm looking at Exhibit-10. 6 Q. Okay. 7 And I think the first four pages are 8 identical to Exhibit-6; is that right? 9 MR. GOLDSTEIN: I'll stipulate that 10 they have the same Bates Numbers, so that they're 11 identical. 12 BY MR. TROMBETTA: 13 Q. I'd like you to look at the last four 14 pages, PHH0109 to PHH0112 -- 15 A. Yes. 16 Q. -- and would you, please, look at 17 PHH0112, it's the last page of the exhibits -- 18 A. Yes. 19 Q. -- do you see at the bottom of the page 20 there's a printing of your name? 21 A. Yes. 22 Q. Below that is that a computerized copy 23 of your signature? 24 A. Yes. 25 Q. If you would, please, would you go to</p>

<p style="text-align: right;">Page 125</p> <p>1 PHH0110 --</p> <p>2 A. Okay.</p> <p>3 Q. -- and do you see the last two -- well,</p> <p>4 strike that.</p> <p>5 In the middle of the page, the last two</p> <p>6 marked line with a label B and C, do you see that?</p> <p>7 A. Yes.</p> <p>8 Q. And C says secondary job, do you see</p> <p>9 that?</p> <p>10 A. Yes.</p> <p>11 Q. And then there's an amount next it to?</p> <p>12 A. Yes.</p> <p>13 Q. And what's that amount?</p> <p>14 A. Seven four eight.</p> <p>15 Q. And if you go to page two of the</p> <p>16 exhibit, which is 0106, item five you see the figure</p> <p>17 seven forty-eight; correct?</p> <p>18 A. Yes.</p> <p>19 Q. So that would be the income from the</p> <p>20 secondary job; correct?</p> <p>21 A. Yes -- I don't know, actually, it just</p> <p>22 says seven forty-eight, it doesn't state whether it's</p> <p>23 a secondary job or not.</p> <p>24 Q. What's that?</p> <p>25 A. It doesn't state if it's a secondary job</p>	<p style="text-align: right;">Page 127</p> <p>1 Q. It's one thousand five hundred</p> <p>2 seventy-five dollars?</p> <p>3 A. Yes.</p> <p>4 Q. And, Mr. Luongo, if you would, please,</p> <p>5 go back to PHH0106, which is the second page of the</p> <p>6 exhibit --</p> <p>7 A. Yes.</p> <p>8 Q. -- and if you look under borrower, Roman</p> <p>9 Numeral V, next to dividend, slash, interest, do you</p> <p>10 see that figure?</p> <p>11 A. Yes.</p> <p>12 Q. And that figure is one thousand five</p> <p>13 hundred seventy-five dollars; is that correct?</p> <p>14 A. Yes.</p> <p>15 Q. Now, Mr. Luongo, with respect to pages</p> <p>16 PHH01 -- strike that.</p> <p>17 With respect to pages PHH0109 through</p> <p>18 0112 those are pages that you prepared using your</p> <p>19 computer; correct?</p> <p>20 A. Well, I input the information, they're</p> <p>21 not done at my computer, they're done at someone</p> <p>22 else's computer.</p> <p>23 Q. I'm sorry, what's that?</p> <p>24 A. I input the information in, that's done</p> <p>25 at a different computer.</p>
<p style="text-align: right;">Page 126</p> <p>1 or not.</p> <p>2 Q. No, but you look at 0110 it indicates</p> <p>3 that it is income from the secondary job; is that</p> <p>4 right?</p> <p>5 A. It says secondary job number one, seven</p> <p>6 four eight.</p> <p>7 Q. Okay.</p> <p>8 If you look -- on page 0110 if you look</p> <p>9 at Roman Numeral V --</p> <p>10 A. Um-hum.</p> <p>11 Q. -- there is the indication seven</p> <p>12 forty-eight in the box in the co-borrower, do you see</p> <p>13 that?</p> <p>14 A. Yes.</p> <p>15 Q. So it's your understanding that that</p> <p>16 seven forty-eight relates to the second job of Doris</p> <p>17 Mendes?</p> <p>18 A. Yes.</p> <p>19 Q. Now, if you look at B it says</p> <p>20 seventy-five percent subject property, do you see</p> <p>21 that?</p> <p>22 A. Yes.</p> <p>23 Q. Then it says monthly amount, do you see</p> <p>24 that?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 128</p> <p>1 Q. But you put in the information that</p> <p>2 appears in this form; correct?</p> <p>3 A. The information that I put in the</p> <p>4 computer, and, again, I will state this again, is not</p> <p>5 in the same format, so when I'm looking at my</p> <p>6 computer screen -- so, for example, if I'm looking at</p> <p>7 0106 --</p> <p>8 Q. Right.</p> <p>9 A. -- that exact page, I don't actually see</p> <p>10 that on my computer screen --</p> <p>11 Q. And I'm not suggesting that you do --</p> <p>12 A. -- it is -- it is entirely different.</p> <p>13 Q. -- and I'm not trying to say that it is</p> <p>14 what appears on your computer screen --</p> <p>15 A. Exactly, it's a completely different</p> <p>16 format, you know, if it's a secondary house or</p> <p>17 income, they are different screens for that.</p> <p>18 Q. Right.</p> <p>19 What I'm saying, though, is with respect</p> <p>20 to pages PHH0109 through 0112 those pages -- well,</p> <p>21 strike that.</p> <p>22 With respect to pages 0109 through 0112</p> <p>23 the data in those pages is a result of information</p> <p>24 you inputted into your computer; correct?</p> <p>25 A. Correct.</p>

<p style="text-align: right;">Page 129</p> <p>1 Q. And did you do something to cause those 2 pages to be printed? 3 A. No. 4 Q. Did somebody else do something to cause 5 those pages to be printed? 6 A. Yes. 7 Q. Who? 8 A. I couldn't tell you. There's another 9 team that promotes the mortgage package once we've 10 found the subject property and start the mortgage 11 process. I could say I start the pages getting done 12 because I collected money from a customer when they 13 have the actual subject property and a signed sales 14 contract, once I collect that it starts the process 15 for another department to get that loan package 16 ready, which looks like Exhibit-10, Exhibit-6, 17 Exhibit-7 -- or part -- 18 Q. Well, I understand that. 19 Have you ever seen the pages PHH0109 20 through 0112 before? 21 A. No. 22 Q. Have you ever seen the pages -- well, 23 strike that. 24 You have seen the pages PHH0105 through 25 PHH0108; is that right?</p>	<p style="text-align: right;">Page 131</p> <p>1 information and sends it out to the customer. 2 Q. But you don't know, that's just what you 3 believe? 4 A. Well, as I know it's what happens, I 5 mean, it's -- you know, there's a whole department 6 that's designed to get the loan package ready and 7 out, the most important thing is when that customer 8 buys a property we want to close quickly, so we 9 get -- that loan package is overnighted, so it's 10 printed and sent out to the actual customer. 11 Q. Mr. Luongo, you don't know if this 12 package was sent or not; correct? 13 A. I can't recall. 14 Q. You don't know? 15 A. No. I could tell from computer if it 16 was sent out, I can't recall back then. 17 MR. TROMBETTA: That's all I have. 18 MR. GOLDSTEIN: Nothing further. 19 Thank you. 20 MR. TROMBETTA: Thank you. 21 (Witness Excused.) 22 (Testimony Concluded.) 23 24 25</p>
<p style="text-align: right;">Page 130</p> <p>1 A. Today I have. 2 Q. Did you see them prior to that? 3 A. No. 4 Q. So would a member of your team be the 5 first person to see pages 0105 through 0108? 6 A. I believe the underwriter would be the 7 first person to see that. 8 Q. Well, didn't you indicate that somebody 9 should have mailed this application? 10 MR. GOLDSTEIN: Chris, we'll stipulate 11 that someone printed this application and mailed it 12 to the Mendeses. 13 MR. TROMBETTA: Well, we're not 14 stipulating to that. 15 MR. GOLDSTEIN: Well, someone obviously 16 printed it. 17 MR. TROMBETTA: But no one mailed them. 18 MR. GOLDSTEIN: Well, we're wasting 19 time now. 20 Someone obviously printed them. 21 BY MR. TROMBETTA: 22 Q. My only question, though, Mr. Luongo, is 23 it was a member of your team, you believe, that first 24 saw pages 0105 through 0108? 25 A. I believe the underwriter gets the</p>	<p style="text-align: right;">Page 132</p> <p>1 CERTIFICATE. 2 I, Christi A. Argenbright, a Notary Public and 3 Certified Shorthand Reporter of The State of New 4 Jersey and a Commissioner of Deeds of The State of 5 Pennsylvania, do hereby certify that prior to the 6 commencement of the examination, 7 RICHARD J. LUONGO, JR. 8 was duly sworn by me to testify to the truth, 9 the whole truth and nothing but the truth. 10 I do further certify that the foregoing is 11 a true and accurate transcript of the testimony 12 as taken stenographically by and before me at the 13 time, place and on the date hereinbefore set forth. 14 I do further certify that I am neither a 15 relative nor employee nor attorney nor counsel of any 16 of the parties to this action, and that I am neither 17 a relative nor employee of such attorney or counsel 18 and that I am not financially interested in this 19 action. 20 21 22 Christi A. Argenbright, C.S.R. 23 Notary Public, State of New Jersey 24 My commission expires October 16, 2010 25 Certificate No. XI01789 Date: July 18, 2006</p>

1 Exhibit RL-1, Letter dated March 21, 2001 13  
2 Exhibit RL-2, Letter dated May 3, 2001 26  
3 Exhibit RL-3, Letter dated June 12, 2001 36  
4 Exhibit RL-4, Residential loan application 43  
5 Exhibit RL-5, Mortgage Services facsimile 69  
6 transmission with attachment  
7 Exhibit RL-6, Residential loan application 80  
8 Exhibit RL-7, Government underwriting 91  
9 worksheet  
10 Exhibit RL-8, Final commitment 106  
11 Exhibit RL-9, Call log 121  
12 Exhibit RL-10, Residential loan application 123  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

## **Exhibit F**





**Jack Conway & Company, Inc. Realtors®**

Servicing the real estate needs of Massachusetts

FAX COVER PAGE

DATE: 6-18-01

TO: CHRIS

COMPANY NAME: CENDANT

FAX#: 856-917-2963

FROM: PAULA DUZAN

TOTAL NUMBER OF PAGES: 4  
(INCLUDING COVER PAGE)

IF YOU DO NOT RECEIVE ALL PAGES CALL (781)-326-1166.

COMMENTS: RE: SIGNED OFFER OF  
ANTHONY & DORIS MENDES ON 1-3 CHILSON  
AVE. MANSFIELD, MA.

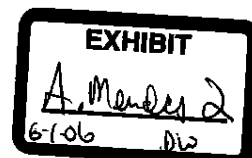


**'CONWAY COUNTRY'™**

311 Washington Street • Westwood, Massachusetts 02090

Tel: 781-326-1166 • Fax: 781-326-9138

www.jackconway.com



PHH 0130



FOR RESIDENTIAL PROPERTY CONSTRUCTED PRIOR TO 1978,  
BUYER(S) MUST ALSO SIGN LEAD PART  
"PROPERTY TRANSFER NOTIFICATION CERTIFICATION"

From the Office of:

PAULA DUZAN  
JACK CONWAY SR  
311 WASHINGTON  
WEST WOOD MA 02  
781-326-1166

### OFFER TO PURCHASE REAL ESTATE

TO OWNER OF RECORD  
1-3 CHILSON AVE  
MANSFIELD, MA 02048

Date 6-12-01

The property herein referred to is identified as follows: LAND AND BUILDING KNOWN AND NUMBERED AS  
1-3 CHILSON AVE., MANSFIELD, MA., CONSISTING OF WOOD FRAME BUILDING SITUATED  
Special provisions (if any) to fixtures, appliances, etc.: ON 9416 SF. MORE OR LESS AND RECORDED  
AT THE BRISTOL COUNTY REGISTRY OF DEEDS

I hereby offer to buy said property, which has been offered to me by GERRY ABBOTT REALTORS AND JACK CONWAY WEST WOOD as the Seller's Broker(s) under the following terms and conditions:

1. I will pay therefore \$ 300,000.00 of which \$305,000 H.S.
  - (a) \$ 1,250.00 is paid herewith as a deposit to bind this Offer
  - (b) \$ 1,250.00 is to be paid as an additional deposit upon the execution of the Purchase and Sale Agreement provided for below.
  - (c) \$ 297,500.00 is to be paid at the time of delivery of the Deed in cash, or by certified, cashier's, treasurer's or bank check(s).
  - H.S. (d) \$ 296,000.00 \$305,000 H.S.
  - (e) \$ 300,000.00 Total Purchase Price
2. This Offer is good until 11:00 A.M. (P.M.) on 6-13-01 at or before which time a copy hereof shall be signed by you, the Seller and your (husband) (wife), signifying acceptance of this Offer, and returned to me forthwith, otherwise this Offer shall be considered as rejected and the money deposited herewith shall be returned to me forthwith.
3. The parties hereto shall, on or before 5:00 A.M. (P.M.) 6-29-01 execute the applicable Standard Form Purchase and Sale Agreement recommended by the Greater Boston Real Estate Board or any form substantially similar thereto, which, when executed, shall be the agreement between the parties hereto.
4. A good and sufficient Deed, conveying a good and clear record and marketable title shall be delivered at 12:00 Noon on 6-21-01 at the appropriate Registry of Deeds, unless some other time and place are mutually agreed upon in writing.
5. If I do not fulfill my obligations under this Offer, the above mentioned deposit shall forthwith become your property without recourse to either party. Said deposit shall be held by GERRY ABBOTT REALTORS as escrow agent subject to the terms hereof, provided however that in the event of any disagreement between the parties, the escrow agent may retain said deposit pending instructions mutually given by the parties. A similar provision shall be included in the Purchase and Sale Agreement with respect to any deposits held under its terms.
6. Time is of the essence hereof.
7. The initials hereon, if any, attached hereto are incorporated herein by reference. Additional terms and conditions, if any: CONTINGENT UPON SEEING BEDROOM UNIT HOME INSPECTION, ALL UNITS BEING VACATED UPON DELIVERY, ADDENDUM A, PROPERTY TRANSFER NOTIFICATION, AGENCY DISCLOSURE, PRE-QUAL LETTER

NOTICE: This is a legal document that creates binding obligations. If not understood, consult an attorney.

WITNESS my hand and seal.

SIGNED [Signature]

Buyer

Buyer

Buyer

Address

This Offer is hereby accepted upon the foregoing terms and conditions at 9:00 A.M. (P.M.) on 6/14 2001

WITNESS my (our) hand(s) and seal(s).

Seller (or spouse)

Seller

### RECEIPT FOR DEPOSIT

Received from ANTHONY + DORIS MENDES Buyer the sum of \$ 1000.00 as deposit under the terms and conditions of above Offer, to be held by GERRY ABBOTT REALTORS as escrow agent.

Under regulations adopted pursuant to the Massachusetts license law, "all offers obtained by brokers or salesmen on any properties listed with them shall be forthwith conveyed to the owner of said real estate".

Paula Duzan  
Agent for Seller

COPYRIGHT © 1982, 1978, 1988, 1987, 1983, 1980, 1984  
GREATER BOSTON REAL ESTATE BOARD



All rights reserved. This form may not be copied or reproduced in whole or in part in any manner whatsoever without the prior express written consent of the Greater Boston Real Estate Board.

**PROPERTY TRANSFER NOTIFICATION CERTIFICATION**

This form is to be signed by the prospective purchaser before signing a purchase and sale agreement or a memorandum of agreement, or by the lessee-prospective purchaser before signing a lease with an option to purchase for residential property built before 1978, for compliance with federal and Massachusetts lead-based paint disclosure requirements.

**Required Federal Lead Warning Statement:**

Every purchaser of any interest in residential property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

**Seller's Disclosure**

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i)        Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

(ii) HS Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check (i) or (ii) below):

(i)        Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (circle documents below).

Lead Inspection Report; Risk Assessment Report; Letter of Interim Control; Letter of Compliance

(ii) HS Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

**Purchaser's or Lessee Purchaser's Acknowledgment (Initial)**

(c)        Purchaser or lessee purchaser has received copies of all documents circled above.

(d)        Purchaser or lessee purchaser has received no documents.

DM (e) HS Purchaser or lessee purchaser has received the Property Transfer Lead Paint Notification.

(f)        Purchaser or lessee purchaser has (check (i) or (ii) below):

DM (i) HS received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards or

(ii)        waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

**Agent's Acknowledgment (Initial)**

(g) CH Agent has informed the seller of the seller's obligations under federal and state law for lead-based paint disclosure and notification, and is aware of his/her responsibility to ensure compliance.

(h) DM Agent has verbally informed purchaser or lessee-purchaser of the possible presence of dangerous levels of lead in paint, plaster, putty or other structural materials and his or her obligation to bring a property into compliance with the Massachusetts Lead Law — either through full delcading or interim control — if it was built before 1978 and a child under six years old resides or will reside in the property.

**Certification of Accuracy**

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller	<u>Helen Jackson</u>	Date	<u>6-12-01</u>	Seller	<u>      </u>	Date	<u>      </u>
Purchaser	<u>      </u>	Date	<u>      </u>	Purchaser	<u>      </u>	Date	<u>      </u>
Agent	<u>      </u>	Date	<u>      </u>	Agent	<u>      </u>	Date	<u>      </u>

Address of Property / Unit 1-3 CHILSON AVENUE MANSEFIELD MA 02148



**MASSACHUSETTS  
ASSOCIATION  
of REALTORS**

CLIPP Form 14-3, 6/30/94, Rev. 11/99



11

**MASSFORMS**

## ADDENDUM A TO OFFER/PURCHASE and SALE AGREEMENT

SELLER OWNER OF RECORD DATE 6-12-01  
 BUYER ANTHONY S. JORIS MENDES  
 PROPERTY 1-3 CHILSON AVENUE MANSEFIELD MA 01948

This ADDENDUM TO OFFER/PURCHASE and SALE AGREEMENT is made a part of and incorporated into same.

1) The BUYER may, at the BUYER'S own expense, and within ten (10) days from the date of the acceptance of this Offer, have the property professionally inspected for any or all of the following:

- 1) Home Inspection (Structural, electrical, mechanical, general condition)
- 2) Termites, Wood-boring insect, Pest Inspection,
- 3) On-Site Sewer Disposal Inspection, (Title 5 Certification)
- 4) Lead Paint Inspection
- 5) Radon Gas Inspection
- 6) Asbestos Inspection
- 7) Urea Formaldehyde Foam Insulation (UFFI) Inspection
- 8) Chlordane Inspection
- 9) Hazardous Materials, Groundwater and Soil Test Inspection (may require longer than 10 days to successfully complete)
- 10) Well Tests Inspection (water quality and quantity)
- 11) Other

Should any of the above-listed inspections reveal the existence of unsatisfactory or hazardous conditions in the property, then the BUYER shall send written notice of same to the BROKER and SELLER on or before 6-27-01 by certified mail, return receipt requested, or by hand delivery to the SELLER and the broker with a copy of the inspection findings to be provided to the SELLER and the Broker within seven (7) days following notification. Upon receipt of written notification and a copy of the inspection findings by the SELLER, this Offer/Purchase and Sale Agreement shall become NULL AND VOID immediately, and upon the issuance of mutually agreeable instructions by BUYERS and SELLERS and upon the signing of a Release by all parties, then all deposits made hereunder shall forthwith be refunded to the BUYER, and all parties to this Offer/Purchase and Sale Agreement shall be released from all liability.

2) FLOOD HAZARD INSURANCE- If the property is determined to be in a flood hazard zone, a lender may require flood hazard insurance before it will grant a mortgage. Providing such insurance is the sole responsibility of the BUYER.

3) AGENCY DISCLOSURE NOTICE- All brokers/salespersons represent the SELLER, not the BUYER, in the marketing, negotiating and sale of property, unless otherwise disclosed. However, the broker or salesperson has an ethical and legal obligation to show honesty and fairness to the BUYER in all transactions.

4) LEGAL COUNSEL- BUYER and SELLER acknowledge that they have each been advised of the importance of seeking legal advice prior to signing the Purchase and Sale Agreement, and each acknowledges that they have been afforded the opportunity to confer with legal counsel of their choice prior to signing the Purchase and Sale Agreement.

5) ESCROW FUNDS- In the event of a disagreement relative to the disbursement of escrow funds as referenced in Paragraph 5 of the Offer to Purchase and Paragraph 20 of the Purchase and Sale Agreement all parties agree to submit the disagreement to a mediator associated with the American Arbitration Association or an acceptable company that engages in mediation for binding arbitration. A disagreement shall be defined as the lack of instructions mutually given by all parties.

6) MORTGAGE CONTINGENCY CLAUSE - In order to help finance the acquisition of said premises, the BUYER shall apply for a conventional bank or other institutional mortgage loan of \$ 29,000.00 at prevailing rates, terms and conditions. If despite the BUYER's diligent efforts a commitment for such loan cannot be obtained on or before 8-17-2001, the BUYER may terminate this agreement by written notice to the SELLER and/or the Broker(s), as agent(s) for the SELLER, prior to the expiration of such time, whereupon any payments made under this agreement shall be forthwith refunded and all other obligations of the parties hereto shall cease and this agreement shall be void without recourse to the parties hereto. In no event will the BUYER be deemed to have used diligent efforts to obtain such commitment unless the BUYER submits a complete mortgage loan application conforming to the foregoing provisions on or before 6-29-01, 20

WE, the undersigned, have read and understood all of the above provisions.

(Seller) Helen Jackson G. Altobelli (Seller)  
 (Buyer) Anthony S. Joris Mendes (Buyer)  
 (Broker) Frank Dwyer (Broker)  
 Agent for Jack Conway & Co.

Rev. 9/96

3000 Leadenhall Road, Mt.Laurel, NJ 08054

1.800.CENDANT  
(236.3268)



March 21, 2001

ANTHONY P MENDES

171 BRIDGE ST  
DEDHAM, MA 02026

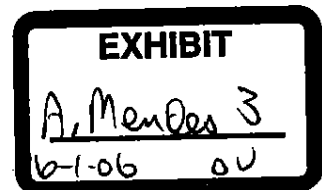
Sales Price: \$275,000.00

Loan Amount: \$272,832.00

Interest Rate: 6.875%

Type / Term of Loan:  
FHA, 360 months

**YOU'RE APPROVED!**



Dear ANTHONY P MENDES, DORIS MENDES,

We're pleased to tell you that you've been approved for a mortgage loan in the amount of \$272,832.00. From here on, getting the home you want will be as easy as 1-2-3. We'll be with you all the way, from the application process right through closing.

Now that your application is already completed and on file with us, all you need to do is find your dream home. As soon as you do, simply call us at 1-800-236-3268, Ext. 84853, to give us the property address, and we'll make sure your loan closes right on time - guaranteed. For your convenience, we've enclosed a wallet card for quick reference to this toll-free number. You can use it to call us 7 days a week with any questions about your mortgage process.

*As part of the Cendant Mortgage Family, you now have these unique advantages:*

- ♦ **HOUSE-HUNTING WITH CONFIDENCE.** Knowing that your mortgage loan is already approved, you can look for your new home - confident that the closing process will be smooth and easy.
- ♦ **SERVICE EXCELLENCE.** Our service is so outstanding that 95% of our customers would recommend us to their family and friends. We will answer all of your mortgage questions promptly and thoroughly.

LE0012

- ♦ **NEGOTIATING POWER.** With your financing secured and a closing date guaranteed, sellers know that your offer is solid.
- ♦ **GUARANTEED SERVICE.** We guarantee that we'll meet your closing date, or we'll give you 1/8th of one percent off your interest rate for the life of your loan.\*
- ♦ **FLEXIBILITY.** Although you've been approved for a specific loan amount, we realize that your loan requirements may change. Simply call us if you need to change your loan amount, or the term or type of loan.

*While you continue to search for your new home, here are some important reminders:*

- ♦ Your interest rate is floating; however, you may call us at any time to discuss our available Rate Protection options. Based on your rate now, the maximum total monthly payment you qualify for is \$2,128.73. This would be principal and interest of \$1,792.31 and estimated taxes and insurance of \$336.42 (includes private mortgage insurance, if applicable).
- ♦ Remember to call us at 1-800-236-3268, Ext. 84853, with the property address as soon as you have selected a home.

Please note: The following page is a checklist of items needed for your final approval before we go to closing. Please take a moment to review it.

We're here to make your home buying experience a fast, simple, and pleasant one. We look forward to helping you purchase your dream home, and we welcome your questions, now, or any time.

Sincerely,



Richard Luongo  
Mortgage Consultant  
1-800-236-3268, Ext. 84853

*P.S. Good luck househunting! As soon as you call us at 1-800-236-3268, Ext. 84853, with the property address, it'll take only a few minutes to get you moving toward a fast and easy mortgage closing.*

\*Conventional purchase loans only. Customers must use a Cendant Mortgage - approved closing agent.

LE0014



## NEXT STEPS IN THE HOME-BUYING PROCESS.

Now that your mortgage loan is approved, there are only three more steps to go in the homebuying process. We're here to guide you along the way. If you have any questions, simply call us at 1-800-236-3268, Ext. 84853.

### STEP ONE:

Look for your dream home.

### STEP TWO:

Once you've selected your home and signed the sales contract, call us at 1-800-236-3268, Ext. 84853, right away. We already have all of your loan information on file, so it will only take a few moments for us to fill in the remaining items. Then we can send your updated application which reflects your purchase price.

### STEP THREE:

After you have found your home, these are the items that we need to complete your loan package:

- ☐ Fully executed agreement of sale on the property being purchased to show a sales price of \$275,000.00
- ☐ Subject to receipt and review of a satisfactory appraisal on the property being purchased that supports the sales price, to be ordered by Mortgage Services.
- ☐ If any information has changed from your original application, including property type, additional documentation may be required.
- ☐ Fully executed FHA Amendatory Clause.
- ☐ Evidence any outstanding Collection Account, Charge-off, Tax Lien, or Judgement has been satisfied.
- ☐ Please provide the policy date and declaration page for the homeowner's insurance policy 5 days prior to closing.
- ☐ If the property you select is located in a flood zone, a flood insurance policy will be required.
- ☐ All pages of the past two months bank statements for all accounts to show \$10,000.00.

LE0013



May 3, 2001

ANTHONY P MENDES

171 BRIDGE ST  
DEDHAM, MA 02026

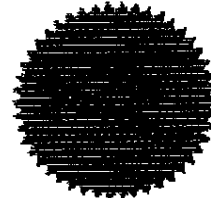
Sales Price: \$340,000.00

Loan Amount: \$337,335.25

Interest Rate: 7.250%

Type / Term of Loan:  
FHA, 360 months

## YOU'RE APPROVED!



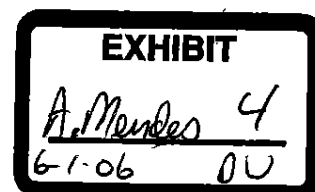
Dear ANTHONY P MENDES, DORIS MENDES,

We're pleased to tell you that you've been approved for a mortgage loan in the amount of \$337,335.25. From here on, getting the home you want will be as easy as 1-2-3. We'll be with you all the way, from the application process right through closing.

Now that your application is already completed and on file with us, all you need to do is find your dream home. As soon as you do, simply call us at 1-800-236-3268, Ext. 84853, to give us the property address, and we'll make sure your loan closes right on time - guaranteed. You can use it to call us 7 days a week with any questions about your mortgage process.

*As part of the Cendant Mortgage Family, you now have these unique advantages:*

- ♦ **HOUSE-HUNTING WITH CONFIDENCE.** Knowing that your mortgage loan is already approved, you can look for your new home - confident that the closing process will be smooth and easy.
- ♦ **SERVICE EXCELLENCE.** Our service is so outstanding that 95% of our customers would recommend us to their family and friends. We will answer all of your mortgage questions promptly and thoroughly.



- ♦ **NEGOTIATING POWER.** With your financing secured and a closing date guaranteed, sellers know that your offer is solid.
- ♦ **GUARANTEED SERVICE.** We guarantee that we'll meet your closing date, or we'll give you 1/8th of one percent off your interest rate for the life of your loan.\*
- ♦ **FLEXIBILITY.** Although you've been approved for a specific loan amount, we realize that your loan requirements may change. Simply call us if you need to change your loan amount, or the term or type of loan.

*While you continue to search for your new home, here are some important reminders:*

- ♦ Your interest rate is floating; however, you may call us at any time to discuss our available Rate Protection options. Based on your rate now, the maximum total monthly payment you qualify for is \$2,716.26. This would be principal and interest of \$2,301.22 and estimated taxes and insurance of \$415.04 (includes private mortgage insurance, if applicable).
- ♦ Remember to call us at 1-800-236-3268, Ext. 84853, with the property address as soon as you have selected a home.

Please note: The following page is a checklist of items needed for your final approval before we go to closing. Please take a moment to review it.

We're here to make your home buying experience a fast, simple, and pleasant one. We look forward to helping you purchase your dream home, and we welcome your questions, now, or any time.

Sincerely,

Richard Luongo  
Mortgage Consultant  
1-800-236-3268, Ext. 84853

*P.S. Good luck househunting! As soon as you call us at 1-800-236-3268, Ext. 84853, with the property address, it'll take only a few minutes to get you moving toward a fast and easy mortgage closing.*

\*Conventional purchase loans only. Customers must use a Cendant Mortgage - approved closing agent.



## NEXT STEPS IN THE HOME-BUYING PROCESS.

Now that your mortgage loan is approved, there are only three more steps to go in the homebuying process. We're here to guide you along the way. If you have any questions, simply call us at 1-800-236-3268, Ext. 84853.

### STEP ONE:

Look for your dream home.

### STEP TWO:

Once you've selected your home and signed the sales contract, call us at 1-800-236-3268, Ext. 84853, right away. We already have all of your loan information on file, so it will only take a few moments for us to fill in the remaining items. Then we can send your updated application which reflects your purchase price.

### STEP THREE:

After you have found your home, these are the items that we need to complete your loan package:

- ☐ Fully executed agreement of sale on the property being purchased to show a sales price of \$340,000.00
- ☐ Subject to receipt and review of a satisfactory appraisal on the property being purchased that supports the sales price, to be ordered by Mortgage Services.
- ☐ If any information has changed from your original application, including property type, additional documentation may be required.
- ☐ Fully executed FHA Amendatory Clause.
- ☐ Evidence any outstanding Collection Account, Charge-off, Tax Lien, or Judgement has been satisfied.
- ☐ Please provide the policy date and declaration page for the homeowner's insurance policy 5 days prior to closing.
- ☐ If the property you select is located in a flood zone, a flood insurance policy will be required.
- ☐ All pages of the past two months bank statements for all accounts to show \$16,000.00.
- ☐ Loan approval is not subject to the sale of any property.

## NEXT STEPS IN THE HOME-BUYING PROCESS.

- ☐ Last 2 years W-2s for Doris Mendes.
- ☐ Last 2 years W-2s for Anthony Mendes.
- ☐ Mortgage services will obtain verbal or written verification of employment.
- ☐ Fully executed Real Estate Certification.
- ☐ Satisfactory wood destroying insect infestation report (NPCA 1 or state specific) must be obtained within 30 days of closing.
- ☐ Any large deposits that appear on the bank/investment account statements will need to be explained and documented.
- ☐ All pages of the most recent quarterly statement for 401K account to show \$2,000.00 and evidence sufficient funds are liquidated.
- ☐ All pages of the most recent quarterly statement for 401K account and evidence of liquidation in the amount of \$2,000.00.
- ☐ Copy of Anthony Mendes' most recent pay statements for the past 30 days to verify gross monthly income of \$3,200.00 and year-to-date earnings.
- ☐ Copy of Doris Mendes' most recent pay statements for the past 30 days to verify gross monthly income of \$3,933.00 and year-to-date earnings.
- ☐ Satisfactory explanation for delinquencies on credit report.
- ☐ If delinquencies were the result of extenuating circumstances, please provide evidence supported by 3rd party documentation.
- ☐ Mortgage Services to order a credit supplement in order to delete erroneous accounts and verify previously paid accounts have a zero balance. If we are unable to verify the accounts are inaccurate, you must qualify with the monthly payment.
- ☐ In order to obtain a satisfactory 12 month rental reference, we will need the name and phone number of your landlord.
- ☐ Mortgage Services to obtain evidence of clear CAIVRS prior to closing, verifying no delinquent outstanding debts owed to the government.
- ☐ Verification the account with lord taylor has a minimum payment of \$30.00.
- ☐ Verification the account with wm filene has a minimum payment of \$50.00.
- ☐ Return the Home Inspection Disclosure (HUD-92564-CN) that was provided to you, signed and dated prior to the date on the contract of sale.

Received: 6/12/01 10:32AM;

MORTGAGE SERVICES --&gt; Riverbend C.C.; Page 2

MORTGAGE SERVICES 6/12/01 11:14 PAGE 2/4 RightFAX

Cendant Mortgage  
3000 Leadenhall Road  
Mt. Laurel, NJ 08054



June 12, 2001

Sales Price: \$310,000.00

ANTHONY P MENDES

Loan Amount: \$307,545.00

171 BRIDGE ST  
DEDHAM, MA 02026

Interest Rate: 7.125%

Type / Term of Loan:  
FHA, 360 months

## YOU'RE APPROVED!



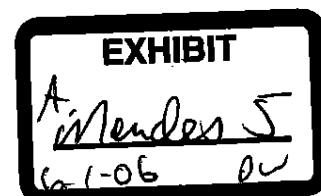
Dear ANTHONY P MENDES, DORIS MENDES,

We're pleased to tell you that you've been approved for a mortgage loan in the amount of \$307,545.00. From here on, getting the home you want will be as easy as 1-2-3. We'll be with you all the way, from the application process right through closing.

Now that your application is already completed and on file with us, all you need to do is find your dream home. As soon as you do, simply call us at 1-800-236-3268, Ext. 84853, to give us the property address, and we'll make sure your loan closes right on time - guaranteed. You can use it to call us 7 days a week with any questions about your mortgage process.

*As part of the Cendant Mortgage Family, you now have these unique advantages:*

- ◆ **HOUSE-HUNTING WITH CONFIDENCE.** Knowing that your mortgage loan is already approved, you can look for your new home - confident that the closing process will be smooth and easy.
- ◆ **SERVICE EXCELLENCE.** Our service is so outstanding that 95% of our customers would recommend us to their family and friends. We will answer all of your mortgage questions promptly and thoroughly.



LE0010



Received: 6/12/01 10:33AM; MORTGAGE SERVICES -> Riverbend C.C.; Page 3  
MORTGAGE SERVICES 6/12/01 11:14 PAGE 3/4 RightFAX

- ♦ **NEGOTIATING POWER.** With your financing secured and a closing date guaranteed, sellers know that your offer is solid.
- ♦ **GUARANTEED SERVICE.** We guarantee that we'll meet your closing date, or we'll give you 1/8th of one percent off your interest rate for the life of your loan.\*
- ♦ **FLEXIBILITY.** Although you've been approved for a specific loan amount, we realize that your loan requirements may change. Simply call us if you need to change your loan amount, or the term or type of loan.

*While you continue to search for your new home, here are some important reminders:*

- ♦ Your interest rate is floating; however, you may call us at any time to discuss our available Rate Protection options. Based on your rate now, the maximum total monthly payment you qualify for is \$2,503.32. This would be principal and interest of \$2,071.99 and estimated taxes and insurance of \$431.33 (includes private mortgage insurance, if applicable).
- ♦ Remember to call us at 1-800-236-3268, Ext. 84853, with the property address as soon as you have selected a home. Once we arrange and receive a satisfactory appraisal on the home you intend to buy, and we verify your income and assets, you will be ready to go to closing.

We're here to make your home buying experience a fast, simple, and pleasant one. We look forward to helping you purchase your dream home, and we welcome your questions, now, or any time.

Sincerely,

Richard Luongo  
Mortgage Consultant  
1-800-236-3268, Ext. 84853

*P.S. Good luck househunting! As soon as you call us at 1-800-236-3268, Ext. 84853, with the property address, it'll take only a few minutes to get you moving toward a fast and easy mortgage closing.*

\*Conventional purchase loans only. Customers must use a Cendant Mortgage - approved closing agent.



Exhibit A

Cendant Mortgage  
3000 Leadenhall Road  
Mount Laurel, NJ 08054



## FINAL COMMITMENT

Date: August 10th, 2001  
Loan Number: 0015775950  
Customer: Anthony P Mendes

Doris Mendes

Property Address: 1-3 CHILSON AVE MANSFIELD, MA 02048

Dear Anthony P Mendes

Doris Mendes

FILE

Congratulations! Cendant Mortgage Corporation is pleased to issue a mortgage loan commitment to you which reflects the final terms of your loan.

**A. Your Approved Loan Terms**

Base loan amount: \$ 297,765.00

MIP/ funding fee (if applicable): \$ 4,466.48

Total loan amount: \$ 302,231.00

Approved Interest Rate: 7.250

Rate Lock Expiration Date: 08/31/2001

Initial Monthly Principal and Interest: \$ 2,061.75

Private Mortgage Insurance required: NO

Assumable: (Y or N) Y

Prorated Pricing:

Balloon Payment Required: (Y or N) N

Product: 30 yr FHA Fixed (680)

Loan term: 360

Loan to Value Ratio: 97.63

Loan Type: (FHA/VA/Conv) FHA

Commitment Expiration Date: 08/31/2001

Escrow account required: YES

MIP required (FHA loans): YES

Prepayment Penalty applicable: (Y or N) Y

Rate Lock Option ☒ Lock ☐ Rate Protect☐ Float ☐ 1X Float Down

If your loan is an Adjustable Rate Mortgage, the following additional terms apply:

Index:

Rate change cap:

Rate change frequency: (weeks, months, years)

First Adjustment:

Subsequent Adjustment:

Margin: 0.0000

Lifetime Cap:

If your loan is a Balloon payment loan, please refer to your program description.

**B. Points you pay in connection with your loan**

Total points: 0.000

Origination fee: 0.000

Discount points: 0.000

Commitment fee: 0.000

**C. Conditions to commitment:** Please read the conditions listed below carefully. They are a part of this commitment and are needed to meet your August 31st, 2001 closing date.

**PLEASE SIGN AND RETURN THIS FINAL COMMITMENT.**

- Any changes in your application may affect, but is not limited to, rate, points, maximum loan amount, and additional documentation requirements.
- Fully executed FHA Amendment Clause.
- Please provide the declaration page for the homeowner's insurance policy to equal or exceed mortgage amount or replacement value (5 days prior to closing).
- Mortgage servicer will obtain verbal or written verification of employment.
- Fully executed Real Estate Confirmation.
- Return the Home Inspection Disclosure (HUD-92564-CN) that was provided to you, signed and dated prior to the date on the contract of sale.
- Borrower to sign Homebuyer Summary.
- Customer to provide bank statement to show where that \$9,000 deposit on sales contract came from and an escrow letter from attorney.
- Appraiser to provide the net market rental for all 3 units for the area to evidence that PITI doesn't exceed 75% of the market rental (also to obtain additional income to lower ratios).
- Corrected final application and addendum (1003 and 92900a (pgs. 1-4)).

**D. Inspections - Well, Septic, Radon, Termite:** Inspections are required only if requested by the appraiser and noted in the Conditions.

**E. Assumability:**☐ This loan is not assumable.☒ Your rights and obligations under the note and mortgage are assumable under certain conditions described in your loan documents.

EXHIBIT

A Mendes 7  
6-1-06 DW

**F. Prepayment Penalty:**

- ☐ This loan may be prepaid in part or in full at any time without penalty.
- ☒ This loan has a prepayment penalty. Refer to your loan documents for when the penalty will be collected.

**G. Expiration of Commitment:** This commitment will expire on 08/31/2001 unless an extension is granted by Cendant Mortgage Corporation. We may cancel this commitment if something occurs which we feel may affect the security or your ability to repay this loan.

**H. Title to Property and Title Insurance:** Cendant Mortgage Corporation must have first lien position on the property. The title to the property must be acceptable to us. The property must comply with zoning regulations. The Title Search/Abstract, Tax Search and Certificate, Instrument Survey and Title Commitment must be forwarded at least 10 days prior to closing, if possible.

A policy of title acceptable to us at your expense, is required. If your proposed mortgage loan is an Adjustable Rate Mortgage, the title policy must include affirmative coverage of an ARM and take no exception to the adjustable feature. Title insurance is also available to protect your interest as owner of the property at an extra charge to you but is not required by us. If you desire such insurance protecting your interest as an owner, please advise your attorney or closing agent.

**I. Survey:** Lender's title insurance policy to be issued pursuant to Paragraph H above shall not contain a survey exception. Should an instrument survey or plot plan be required by the title insurer in order to remove such exception, you must supply us, at your expense, a currently dated survey/plot plan, acceptable to us, noting the location of all boundaries, improvements, set back lines, easements and encroachments on or off of the property. The instrument must be certified to: Cendant Mortgage Corporation/Secretary of Housing and Urban Development, its Successors and/or Assigns, as their interests may appear, 3000 Lendenhall Road Mount Laurel, NJ 08054

**J. Fire and Flood Insurance:** The following insurance must be provided by you at or prior to closing. Policies must be in effect on the closing date. The Endorsement on the policy should read for First Mortgagee: Cendant Mortgage Corporation/Secretary of Housing and Urban Development, its Successors and/or Assigns, as their interests may appear, P O Box 5954 Springfield, OH 45501-5954, Attn: Insurance Department

Fire and extended coverage in the amount of full replacement cost or the loan amount, whichever is less, must be fully paid for 1 year with receipt. We will not require you to obtain a policy in excess of the replacement cost of the improvements on the property securing your loan.

If flood insurance is required in connection with your loan, it will be listed under your Conditions. Flood insurance will be required if your property is in flood zone "A" or "V". We do not require you to obtain a flood insurance policy in excess of the replacement cost of the improvements on the property securing your loan.

A binder with a one year paid receipt is acceptable evidence of coverage unless prohibited by state law.

**K. Appraisal:** If an appraisal was obtained in connection with your loan transaction, a copy of it will be provided to you prior to or at closing.

**L. Closing:** At closing, you must sign all of the customary mortgage documents.

**M. Interest Rate:** Your interest rate and terms are governed by your rate lock/confirmation agreement.

**N. Contact:** PLEASE DIRECT ALL CALLS AND DOCUMENTATION TO  
Kevin Cogan  
(800) 236-3268 ext. 87806

**O. State Specific Supplement:** Florida and the New York Department of Banking require us to provide you with additional information contained in the Final Commitment Supplement. Please refer to that supplement for further information about your Final Commitment.

**P. Acceptance:** To accept this commitment, you must sign below and return this letter to us within 15 days from the date of this letter. This agreement cannot be changed orally.

Very truly yours:  
Cendant Mortgage Corporation

*Claire Taylor*

Claire Taylor  
Production Manager

**ACCEPTANCE OF OFFER:** The terms and conditions offered by this Final Commitment letter and Attachments are accepted by the undersigned. We have received a duplicate original of this document.

*Anthony P. Mendes* 8-14-01  
Applicant Name: Anthony P. Mendes Date:

*Doris H. Mendes* 8-14-01  
Applicant Name: Doris H. Mendes Date:

*Anthony P. Mendes* 8-14-01  
Applicant Name: Anthony P. Mendes Date:

*Doris H. Mendes* 8-14-01  
Applicant Name: Doris H. Mendes Date:

ADDENDUM TO FINAL COMMITMENT

C. Conditions to commitment, continued.

- Credit documents expire 07/10/01. Updates will be required if loan is not closed by that date. (Credit report -90 days, other docs - 120 days) (credit report expired)
- Subject to re-qualification if: Buyer's investment into the transaction (allowable closing costs & downpayment) is less than 1% of the sales price.
- Sign final application and addendum (1001 and 92900a)
- Subject to re-qualification if: rate or points change from 7.125% with 1% origination fee and 0% discount points
- Subject to re-qualification if: buyer paid "Closing Costs" are less than \$1883.51
- Fully-executed hotel and transient use certification

Anthony P. Mendes 8-14-01 Doris H. Mendes 8-14-01  
 Applicant Name Anthony P. Mendes Date Applicant Name Doris Mendes Date

Anthony Mendes 8/14/01 Doris H. Mendes 8-14-01  
 Applicant Name Date Applicant Name Date

08/29/2001 11:44 508-2611218

GERRY ABBOTT REALTOR

PAGE 02



**GERRY  
ABBOTT INC.,  
REALTORS®**

43 North Main Street • Mansfield, MA 02048

TEL - (508) 339-6336

FAX - (508) 261-1218

E-MAIL - ABBOTTRETL@aol.com

# Extension

for  
**TIME OF CLOSING**

between

**One Chilson Avenue Realty Trust, Helen Jackson, Trustee (SELLER)**

and

**Doris H. and Anthony P. Mendes (BUYERS)**

for

**1-3 Chilson Avenue, Mansfield, MA 02048**

Time for Performance for the Delivery of Deed, has been extended until 1:00 P.M. on or before the 13th day of September, 2001. Time still being of the essence of the Agreement as extended. In all other respects, this Agreement is hereby ratified and confirmed.

This extension, executed in triplicate form is intended to take effect as a sealed instrument.

*Helen Jackson by Guy B. Abbott*

8/29/01

One Chilson Avenue Realty Trust, Helen Jackson, Trustee (SELLER)

Date

*X Doris H. Mendes*

Doris H. Mendes (BUYER)

Date

8/29/01

*X Anthony P. Mendes*

Anthony P. Mendes (BUYER)

Date

**EXHIBIT**

*Amended 10  
6-1-06 06*

high point rpa

251-2652439-703

File No. 329134

~~REDACTED~~

CENDANT MORTGAGE #15775960  
3000 LEADENHALL ROAD  
MT. LAUREL, NJ 08054

File Number: 329134

**RRC**  
NOV 01 2001

In accordance with your request, I have personally inspected and appraised the real property at:

1-3 CHILSON AVENUE  
MANSFIELD, MA. 02048

The purpose of this appraisal is to estimate the market value of the subject property, as improved.  
The property rights appraised are the fee simple interest in the site and improvements.

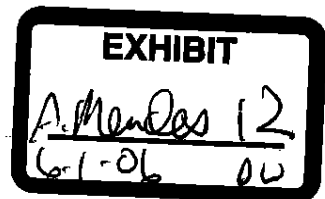
In my opinion, the estimated market value of the property as of June 29, 2001 is:

\$305,000

Three Hundred Five Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,  
final estimate of value, descriptive photographs, limiting conditions and appropriate certifications.

JOHN G. PACHECO



PHH 0276



## COMPLETE SUMMARY REPORT

251-2652439-703

## UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. 329134

## Property Description

Property Address	1-3 CHILSON AVENUE		City	MANSFIELD	State	MA.	Zip Code	02048
Legal Description	BOOK 5166 PAGE 181		County	BRISTOL				
Assessor's Parcel No.	MAP# 24 LOT# 187		Tax Year	2001	R.E. Taxes \$	3,301.88		
Borrower	MENDES, Anthony & Doris		Current Owner	CHILSON AVE REALTY TRUST		Occupant	Owner	<input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant
Property rights appraised	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold	Project Type	<input type="checkbox"/> PUD	<input type="checkbox"/> Condominium (HUDVA only)	HOA\$	N/A /Mo.	
Neighborhood or Project Name	MANSFIELD CENTER		Map Reference	ASSESSOR		Census Tract	8301	
Sale Price \$	305,000	Date of Sale	PENDING		Description and \$ amount of loan charges/concessions to be paid by seller	NO P&S FOR REVIEW		
Lender/Client	CENDANT MORTGAGE #15775950		Address	3000 LEADENHALL ROAD, MT. LAUREL, NJ 08054				
Appraiser	JOHN G. PACHECO		Address	3 SOUTH SIXTH STREET, NEW BEDFORD, MA 02740				
Location:	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Predominant occupancy	Single family housing	Prior land use %	Land use change	
Build up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	<input checked="" type="checkbox"/> Owner	PRICE \$ (000)	AGE (yrs)	One family	<input checked="" type="checkbox"/> Not likely <input type="checkbox"/> Likely
Growth rate	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	<input type="checkbox"/> Tenant	125 Low	20	2-4 family	<input type="checkbox"/> In process
Property values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Vacant (0-5%)	325 High	150	Multi-family	To:
Demand/supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In balance	<input type="checkbox"/> Over supply	<input type="checkbox"/> Vacant (over 5%)	Predominant		Commercial	10%
Marketing time	<input type="checkbox"/> Under 3 mos.	<input checked="" type="checkbox"/> 3-6 mos.	<input type="checkbox"/> Over 6 mos.		200	80	VACANT	0%

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood boundaries and characteristics: NORTH: ROUTE 106. SOUTH: EAST STREET. EAST: ROUTE 108. WEST: ROUTE 140.

Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):  
See Attached Addendum.

Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.):

THE SUBJECT IS LOCATED IN MANSFIELD AND COMPETES IN A MARKET OF 2-4 FAMILY HOMES. PROPERTY VALUES TEND TO BE CONSISTENT IN THIS AREA DEPENDING ON DWELLING CONDITION AND AMENITY. DEMAND AND SUPPLY APPEAR TO BE IN BALANCE IN THIS AREA. MARKETING TIMES TEND TO RUN BETWEEN 3 AND 6 MONTHS BASED ON COMPARABLE DATA. PRICES HAVE BEEN STABLE IN LARGE PART DUE TO ATTRACTIVE INTEREST RATES. CONVENTIONAL FINANCING IS READILY AVAILABLE TO QUALIFIED BUYERS.

Project information for PUDs (If applicable) -- Is the developer/builder in control of the Home Owners' Association (HOA)? ☐ YES ☐ NO

Approximate total number of units in the subject project \_\_\_\_\_ Approximate total number of units for sale in the subject project \_\_\_\_\_

Describe common elements and recreational facilities:

Dimensions	93 FEET ROAD FRONTAGE X IRREGULAR		Topography	LEVEL TO ROAD GRADE	
Site area	9418 S.F.		Size	TYPICAL FOR THE AREA	
Specific zoning classification and description	R-3= 10,000 S.F./80' FRONTAGE		Shape	RECTANGULAR	
Zoning compliance:	<input type="checkbox"/> Legal	<input checked="" type="checkbox"/> Legal nonconforming (Grandfathered use)	Drainage	APPEARS ADEQUATE	
Highest & best use as improved:	<input checked="" type="checkbox"/> Present use	<input type="checkbox"/> Other use (explain)	View	YARD/NEIGHBORS	
Utilities	Public	Other	Landscaping	AVERAGE FOR AREA	
Electricity	<input checked="" type="checkbox"/>		Driveway Surface	ASPHALT	
Gas	<input checked="" type="checkbox"/>		Apparent easements	NONE NOTED	
Water	<input checked="" type="checkbox"/>		FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Sanitary sewer	<input checked="" type="checkbox"/>		FEMA Zone	ZONE C Map Date 4-1-77	
Storm sewer	<input checked="" type="checkbox"/>		FEMA Map No.	250057 H&I-02	

Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning, use, etc.): SEE ATTACHED ADDENDUM.

GENERAL DESCRIPTION		EXTERIOR DESCRIPTION		FOUNDATION		BASEMENT		INSULATION	
No. of Units	ONE	Foundation	STONE	Slab	NO	Area Sq.Ft.	1540	Roof	Cncl.
No. of Stories	2	Exterior Walls	CLAPBRD.	Crawl Space	NO	% Finished	0%	Ceiling	Cncl.
Type (Det./Apt.)	DETACHEE	Roof Surface	ASPH. SHNG.	Basement	FULL	Ceiling	JOISTS	Walls	Cncl.
Design (Style)	3 FAMILY	Gutters & Downspouts	ALUMINUM	Sump Pump	NONE NOTED	Walls	STONE	Floor	Cncl.
Existing/Proposed	EXISTING	Window Type	WOOD DH	Dampness	NONE NOTED	Floor	CONCRETE	None	
Age (Yrs.)	101 +/-	Storm/Screen	ALUM DH	Settlement	NONE NOTED	Outside Entry	WALK-UP	Unknown	<input checked="" type="checkbox"/>
Effective Age (Yrs.)	30	Manufactured House	NO	Infestation	NONE NOTED				

ROOMS	Foyer	Living	Dining	Kitchen	Den	Family Rm.	Rec. Rm.	Bedrooms	# Baths	Laundry	Other	Area Sq.Ft.
Basement												1,540
Level 1	1	2	1	2	1			1	2			1,540
Level 2		1		1				5	2			1,386
												0

Finished area above grade contains: 14 Rooms; 6 Bedroom(s); 4 Bath(s); 2,926 Square Feet of Gross Living Area

INTERIOR		HEATING		KITCHEN EQUIP.		ATTIC		AMENITIES		CAR STORAGE	
Floors	VNYL/CRPT/HQWC	Type	FWH	Refrigerator	<input checked="" type="checkbox"/>	None	<input type="checkbox"/>	Freelace(s) #	<input type="checkbox"/>	None	<input type="checkbox"/>
Walls	PLASTER	Fuel	GAS	Range/Oven	<input checked="" type="checkbox"/>	Stairs	<input type="checkbox"/>	Patio	<input type="checkbox"/>	Garage	# of cars
Trim/Finish	WOOD	Condition	AVG-GD	Disposal	<input type="checkbox"/>	Drop Stair	<input type="checkbox"/>	Deck	<input type="checkbox"/>	Attached	
Bath Floor	VINYL & TILE	COOLING		Dishwasher	<input checked="" type="checkbox"/>	Scuttle	<input checked="" type="checkbox"/>	Porch	PORCHES	Detached	
Bath Wallscot	MARLITE & TILE	Central	NONE	Fan/Hood	<input type="checkbox"/>	Floor	<input type="checkbox"/>	Fence		Built-in	
Doors	WOOD PANEL	Other		Microwave	<input type="checkbox"/>	Heated	<input type="checkbox"/>	Pool		Carport	
AVERAGE CONDITION		Condition		Washer/Dryer	<input type="checkbox"/>	Finished	<input type="checkbox"/>			Driveway	ASPHALT

Additional features (special energy efficient items, etc.): THE SUBJECT WAS NOTED TO HAVE STANDARD STORM WINDOWS.

ADDITIONAL FEATURES INCLUDE PORCHES.

Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction remodeling/additions, etc.: SEE ATTACHED ADDENDUM.

Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property: SEE ATTACHED ADDENDUM.

PHH 0277

**COMPLETE SUMMARY REPORT**  
**UNIFORM RESIDENTIAL APPRAISAL REPORT**

251-2652439-703

File No. 329134

**Valuation Section**

<b>ESTIMATED SITE VALUE</b> ..... = \$		Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): <b>THE COST APPROACH TO VALUE IS NOT CONSIDERED RELIABLE IN THE INSTANCE OF OLDER HOMES SUCH AS THE SUBJECT THEREFORE IS NOT USED IN THE REPORT. NO FUNCTIONAL OR EXTERNAL OBSOLESCENCE WAS NOTED. REMAINING ECONOMIC LIFE IS ESTIMATED AT 35 YEARS.</b>	
<b>ESTIMATED REPRODUCTION COST-NEW OF IMPROVEMENTS:</b>			
Dwelling	Sq. Ft. @ \$ = \$		
	Sq. Ft. @ \$ = \$		
Garage/Carport	Sq. Ft. @ \$ = \$		
Total Estimated Cost New = \$			
Less 65 Physical	Functional External Est. Remaining Econ. Life: 35		
Depreciation	= \$		
Depreciated Value of Improvements = \$			
"As Is" Value of Site Improvements = \$			
<b>INDICATED VALUE BY COST APPROACH</b> ..... = \$ N/A			

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
1-3 CHILSON AVENUE		39-43 WEST STREET	162 CENTRAL STREET	89 CHURCH STREET
Address	MANSFIELD	MANSFIELD	MANSFIELD	NORTH ATTLEBORO
Proximity to Subject		1 MILE +/-	1 MILE +/-	5 MILE +/-
Sales Price	\$ 305,000	\$ 281,000	\$ 280,000	\$ 288,500
Price/Gross Liv. Area	\$ 104.24 /sq. ft.	\$ 99.19 /sq. ft.	\$ 131.18 /sq. ft.	\$ 144.68 /sq. ft.
Data and/or Verification Sources	INSPECTION BROKER	B&T/EXT. INSPECTION ASSESSOR	B&T/EXT. INSPECTION ASSESSOR	B&T/EXT. INSPECTION ASSESSOR
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales or Financing Concessions	N/A	CONV. DOM N/A	CONV. DOM N/A	CONV. DOM N/A
Date of Sale/Time	PENDING	4/2/01 CLD	11/7/00 CLD	1/3/01 CLD
Location	AVERAGE	AVERAGE	AVERAGE	AVERAGE
Local School Fees	FEE	FEE	FEE	FEE
View	NEIGHBORS	NEIGHBORS	NEIGHBORS	NEIGHBORS
Design and Appeal	3 FAMILY	3 FAMILY	2 FAMILY	2 FAMILY
Quality of Construction	AVERAGE	AVERAGE	AVERAGE	AVERAGE
Age	101 Yrs.	111 YEARS +/-	101 YEARS +/-	120 YEARS +/-
Condition	AVERAGE	AVERAGE	AVERAGE	AVERAGE
Above Grade Room Count	20	14	7	11
Gross Living Area	2,926 Sq.Ft.	2,833 Sq.Ft.	1,982 Sq.Ft.	1,842 Sq.Ft.
Basement & Finished Rooms Below Grade	FULL UNFINISHED	FULL UNFINISHED	FULL UNFINISHED	FULL UNFINISHED
Functional Utility	AVERAGE	AVERAGE	AVERAGE	AVERAGE
Heating/Cooling	FHW/NONE	FHW/NONE	FHW/NONE	FHW/NONE
Energy Efficient Items	STORM WINDOW	STORM WINDOW	STORM WINDOW	STORM WINDOW
Garage/Carport	NO GARAGE	NO GARAGE	GARAGE	NO GARAGE
Porch, Patio, Deck, Fireplace(s), etc.	NO FIREPLACE	NONE NOTED	NONE NOTED	NONE NOTED
Fence, Pool, etc.	AVERAGE	AVERAGE	AVERAGE	AVERAGE
Net Adj. (total)		[X] + [ ] - \$ 4,900	[X] + [ ] - \$ 43,900	[X] + [ ] - \$ 53,350
Adjusted Sales Price of Comparable		Gross: 1.7% Net: 1.7% \$ 285,900	Gross: 23.0% Net: 18.9% \$ 303,900	Gross: 20.0% Net: 20.0% \$ 319,850

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): See Attached Addendum.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source for prior sales within year of appraisal	N/A	N/A VERIFIED/MLS & B&T	N/A VERIFIED/MLS & B&T	N/A VERIFIED/MLS & B&T

Analysis of any current agreement of sale, option, or listing of the subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: **COMPARABLES UTILIZED IN THE REPORT HAVE NOT SOLD PRIOR TO ONE YEAR. THE SUBJECT IS CURRENTLY UNDER SALES CONTRACT FOR \$305,000. A PURCHASE & SALES AGREEMENT WAS NOT MADE AVAILABLE FOR REVIEW.**

**INDICATED VALUE BY SALES COMPARISON APPROACH** ..... = \$ 305,000

**INDICATED VALUE BY INCOME APPROACH (if Applicable)** Estimated Market Rent \$ 2,075 Mo. x Gross Rent Multiplier 140 = \$ 290,500

This appraisal is made ☐ "as is" ☒ subject to the repairs, alterations, inspections or conditions listed below ☐ subject to completion of plans and specifications.

Conditions of Appraisal: SEE ATTACHED ADDENDUM.

Final Reconciliation: SEE ATTACHED ADDENDUM.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/Fannie Mae Form 1004B (Revised 6/93)	
I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF <u>JUNE 26, 2001</u> (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ <u>305,000</u>	
APPRAISER: Signature _____ Name <u>JOHN G. PACHECO</u> Date Report Signed <u>JULY 11, 2001</u> State Certification # _____ Or State License # <u>2238</u>	SUPERVISOR/APPRAISER (ONLY IF REQUIRED): Signature <u>[Signature]</u> Name <u>GARY FREITAS</u> Date Report Signed <u>JULY 11, 2001</u> State Certification # <u>328</u> Or State License # _____

☐ Old ☒ Did Not Inspect Property

PHH 0278

## ADDENDUM

Borrower: MENDES, Anthony &amp; Doris

File No.: 329134

Property Address: 1-3 CHILSON AVENUE

Case No.: 251-2652439-703

City: MANSFIELD

State: MA.

Zip: 02048

Lender: CENDANT MORTGAGE #16775950

**Neighborhood Market Factors**

THE SUBJECT PROPERTY IS LOCATED ON CHILSON AVENUE, A ROADWAY WHICH IS SITUATED IN MANSFIELD CENTER. THE SUBJECTS IMMEDIATE AREA IS DEVELOPED WITH A MIXTURE OF COMPATIBLE STYLE SINGLE FAMILY DWELLINGS AND 2-4 FAMILY PROPERTIES RANGING IN SIZE AND AGE. A LIMITED COMMERCIAL INFLUENCE EXISTS IN THE OVERALL AREA HOWEVER NOT APPEARING TO ADVERSELY EFFECT THE SUBJECT. OVERALL PROPERTIES APPEAR IN AVERAGE TO GOOD CONDITION. PROXIMITY FROM THE AREA TO TOWN CENTER, HIGHWAY ACCESS AND ESSENTIAL SERVICES IS A SHORT DRIVE. SCHOOLS ARE LOCATED WITHIN A SHORT DRIVE.

**Site Comments**

THERE IS AN ASPHALT DRIVEWAY TO THE REAR OF THE DWELLING WHICH IS ACCESSED OFF SAMOSET STREET. LANDSCAPE IS CONSIDERED AVERAGE FOR THE AREA CONSISTING MAINLY OF GRASS. NO ADVERSE EASEMENTS, ENCROACHMENTS OR ASSESSMENTS WERE NOTED. THE SUBJECTS LOT IS CONSIDERED LEGAL HOWEVER NON-CONFORMING TO CURRENT ZONING REQUIREMENTS. THIS IS TYPICAL FOR THE AREA AS MOST LOTS WERE APPROVED PRIOR TO CURRENT STANDARDS. IF DESTROYED THE DWELLING MAY BE REBUILT ON THE EXISTING FOOT-PRINT FOR A PERIOD OF 2 YEARS UNDER MASSACHUSETTS LAW. THE SITE IS SERVED BY TOWN WATER & SEWER.

**Condition of Improvements**

THE SUBJECT PROPERTY IS AN ANTIQUE 3 UNIT DWELLING WHICH WAS CONSTRUCTED IN 1900 ACCORDING TO ASSESSORS DATA. THE LAYOUT OF THE DWELLING APPEARS TO BE FUNCTIONAL FOR ITS SIZE & AGE. THE OWNERS OR PRIMARY UNIT OCCUPIES THE MAJORITY OF THE LIVING AREA WITH AN ADDITIONAL UNIT CONTAINING 2 BEDROOMS ON THE 1ST FLOOR AND THE OTHER UNIT CONTAINING 1 BEDROOM ON THE SECOND.. OVERALL THE INTERIOR AND EXTERIOR OF THE HOME APPEAR TO BE IN AVERAGE CONDITION. SOME ITEMS OF MAINTENANCE ARE NEEDED INCLUDING 1ST FLOOR NORTH UNIT BATH FLOOR REPAIR AND ELECTRICAL SYSTEM REPLACEMENT. THE HOME IS POWERED BY A KNOB & TUBE SYSTEM WHICH WOULD APPEAR INADEQUATE TO TODAY'S STANDARDS. THE HEATING SYSTEM APPEARS TO BE IN GOOD WORKING ORDER AND UPDATED.

**Adverse Environmental Conditions**

NO ADVERSE ENVIRONMENTAL CONDITIONS WERE OBSERVED AT THE TIME OF INSPECTION. THE DWELLING WAS CONSTRUCTED PRIOR TO 1978 THEREFORE THE PRESENCE OF LEAD PAINT COULD EXIST. THE APPRAISER IS NOT QUALIFIED TO ADDRESS HAZARDOUS MATERIALS ISSUES.

**Comments on Sales Comparison**

THE ADJUSTMENTS TO THE SALES ARE 10% FOR DESIGN & APPEAL (TOTAL NUMBER OF UNITS), \$3000 FOR LOT SIZE, \$1000 PER BEDROOM, \$2000 PER BATH, \$20 PER SQUARE FOOT OF LIVING AREA AND \$5000 FOR GARAGE. THE SALES UTILIZED ARE THE MOST RECENT AVAILABLE AND ARE THE MOST INDICATIVE OF CURRENT MARKET CONDITIONS. A GENERAL LACK OF 2-4 FAMILY HOMES EXISTS IN THE SUBJECTS MARKET AREA WITH EVEN FEWER 3 UNIT PROPERTIES. IT WAS NECESSARY TO USE A 2 UNIT FROM MANSFIELD AND A 2 UNIT FROM NEIGHBORING ATTLEBORO FOR COMPARISON. SALES #2 AND #3 EXCEED NORMAL NET ADJUSTMENT GUIDELINES.

**Conditions of Appraisal**

THE APPRAISAL OF THE SUBJECT PROPERTY IS MADE SUBJECT TO "VC" CONDITIONS. THE SUBJECT COMPETES IN A MARKET OF INCOME PRODUCING PROPERTIES THEREFORE THE INCOME CAPITALIZATION APPROACH TO VALUE IS UTILIZED IN THE REPORT.

THE SUBJECT IS ESTIMATED TO DERIVE A MONTHLY INCOME OF \$2075.00 FOR ALL UNITS. THE ESTIMATED GRM OF 140 IS DERIVED FROM SALE #1 WHICH IS A 3 UNIT. THE TOTAL MONTHLY INCOME ESTIMATED FOR SALE #1 IS \$2025.00 WITH A GRM OF 138.77 (140.00 ROUNDED).

**Final Reconciliation**

THE SALES COMPARISON APPROACH IS CONSIDERED THE MOST RELIABLE INDICATOR OF MARKET VALUE. THE COST APPROACH TENDS TO BE LESS RELIABLE WHEN ESTIMATING OLDER PROPERTIES SUCH AS THE SUBJECT THEREFORE IS NOT USED. THE APPRAISAL REPORT IS CONSIDERED A SUMMARY APPRAISAL AND CONSIDERS THE COST, SALES AND INCOME APPROACHES TO VALUE. IN THIS INSTANCE THE SALES AND INCOME APPROACHES ARE UTILIZED, THE COST APPROACH IS NOT CONSIDERED RELIABLE.

THE ESTIMATED YEARLY HOME OWNERS INSURANCE COST FOR THE SUBJECT IS \$550.00.

PHH 0279

# Operating Income Statement

One- to Four-Family Investment Property and Two- to Four-Family Owner-Occupied Property

251-2652439-703

329134

Property Address

1-3 CHILSON AVENUE

MANSFIELD

MA.

02048

Street

City

State

Zip Code

**General Instructions:** This form is to be prepared jointly by the loan applicant, the appraiser, and the lender's underwriter. The applicant must complete the following schedule indicating each unit's rental status, lease expiration date, current rent, market rent, and the responsibility for utility expenses. Rental figures must be based on the rent for an "unfurnished" unit.

	Currently Rented	Expiration Date	Current Rent Per Month	Market Rent Per Month	Utility Expense	Paid By Owner	Paid By Tenant
Unit No. 1 Yes	No VCNT		\$	\$	Electricity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 2 Yes	No	TAW	\$ 750	\$ 650	Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 3 Yes	No VCNT		\$	\$ 525	Fuel Oil	<input type="checkbox"/>	<input type="checkbox"/>
Unit No. 4 Yes	No		\$	\$	Fuel (Other)	<input type="checkbox"/>	<input type="checkbox"/>
Total			\$ 750	\$ 2,075	Water/Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>
					Trash Removal	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The applicant should complete all of the income and expense projections and for existing properties provide actual year-end operating statements for the past two years. (For new properties the applicant's projected income and expenses must be provided.) This Operating Income Statement and previous operating statements the applicant provides must then be sent to the appraiser for review, comment, and/or adjustments next to the applicant's figures (e.g., Applicant/Appraiser 288/300). If the appraiser is retained to complete the form instead of the applicant, the lender must provide to the appraiser the aforementioned operating statements, mortgage insurance premium, HOA dues, leasehold payments, subordinate financing, and/or any other relevant information as to the income and expenses of the subject property received from the applicant to substantiate the projections. The underwriter should carefully review the applicant's/appraiser's projections and the appraiser's comments concerning those projections. The underwriter should make any final adjustments that are necessary to more accurately reflect any income or expense items that appear unreasonable for the market. (Real estate taxes and insurance on these types of properties are included in PITI and not calculated as an annual expense item.) Income should be based on current rents, but should not exceed market rents. When there are no current rents because the property is proposed, new, or currently vacant, market rents should be used.

## Annual Income and Expense Projection for Next 12 months

Income (Do not include income for owner-occupied units)

Gross Annual Rental (from unit(s) to be rented)

Other Income (Include sources)

Total

Less Vacancy/Rent Loss

Effective Gross Income

By Applicant/Appraiser

Adjustments by  
Lender's Underwriter

\$	9,000	\$	
+		+	
\$	9,000	\$	
-	180.00 ( 2%)	-	( %)
\$	8,820	\$	

Expenses (Do not include expenses for owner-occupied units)

Electricity

Gas

Fuel Oil

Fuel

Water/Sewer PUBLIC (Type- )

Trash Removal

Pest Control

Other Taxes or Licenses TAXES

Casual Labor

This includes the costs for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services.

Interior Paint/Decorating

This includes the costs of contract labor and materials that are required to maintain the interiors of the living units.

General Repairs/Maintenance

This includes the costs of contract labor and materials that are required to maintain the public corridors, stairways, roofs, mechanical systems, grounds, etc.

Management Expenses

These are the customary expenses that a professional management company would charge to manage the property.

Supplies

This includes the costs of items like light bulbs, janitorial supplies, etc.

Total Replacement Reserves - See Schedule on Pg. 2

Miscellaneous

Total Operating Expenses \$ 5,792 \$



251-2652439-703  
329134**Replacement Reserve Schedule**

Adequate replacement reserves must be calculated regardless of whether actual reserves are provided for on the owner's operating statements or are customary in the local market. This represents the total average yearly reserves. Generally, all equipment and components that have a remaining life of more than one year such as refrigerators, stoves, clothes washers/dryers, trash compactors, furnaces, roofs, and carpeting, etc., should be expensed on a replacement cost basis.

Equipment	Replacement Cost	Remaining Life	By Applicant/ Appraiser	Lender Adjustments
Stoves/Ranges	@ \$ 500.00 ea.	10 Yrs.	x 3 Units = \$ 150.00	\$
Refrigerators	@ \$ ea.	Yrs.	x Units = \$	\$
Dishwashers	@ \$ ea.	Yrs.	x Units = \$	\$
A/C Units	@ \$ ea.	Yrs.	x Units = \$	\$
C. Washer/Dryers	@ \$ ea.	Yrs.	x Units = \$	\$
HW Heaters	@ \$ 250.00 ea.	10 Yrs.	x 3 Units = \$ 75.00	\$
Furnace(s)	@ \$ 2,500.00 ea.	20 Yrs.	x 1 Units = \$ 125.00	\$
(Other)	@ \$ ea.	Yrs.	x Units = \$	\$
Roof	@ \$ 4,000.00	+ 25 Yrs.	x One Bldg. = \$ 160.00	\$
Carpeting (Wall to Wall)		Remaining Life		
(Units)	Total Sq. Yds. @ \$ Per Sq. Yd.	+ Yrs.	= \$	\$
(Public Areas)	Total Sq. Yds. @ \$ Per Sq. Yd.	+ Yrs.	= \$	\$
<b>Total Replacement Reserves. (Enter on Pg. 1)</b>				<b>\$ 510.00</b>

**Operating Income Reconciliation**

\$ 8,820.00	- \$ 5,762.00	= \$ 3,058.00	+ 12 = \$ 254.83
Effective gross income	Total Operating Expenses	Operating Income	Monthly Operating Income
\$ 254.83	- \$	= \$ 254.83	
Monthly Operating Income	Monthly Housing Expenses	Net Cash Flow	

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

**Underwriter's instructions for 2-4 Family Owner-Occupied Properties**

- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the subject property to the borrower's stable monthly income.

**Underwriter's instructions for 1-4 Family Investment Properties**

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower's primary residence to the borrower's stable monthly income.

Appraiser's Comments (including sources for data and rationale for the projections)

JOHN G. PACHECO  
Appraiser Name

Appraiser Signature

JULY 11, 2001  
Date

Underwriter's Comments and Rationale for Adjustments

Underwriter Name

Underwriter Signature

Date

PHH 0281

Part 2: Comprehensive Valuation Package  
Valuation ConditionsDepartment of Housing  
and Urban Development  
Office of Housing  
Federal Housing CommissionerOMB Approval No. 2502-0538  
(exp. 11/30/99)Case Number: 251-2652439-703  
File Number: 329134

## NOTICE TO THE LENDER

All required repairs must be completed in a professional manner, in compliance with HUD's guidelines and satisfied prior to closing. The lender is responsible for coordinating repairs. A professionally licensed, bonded, registered engineer, licensed home inspector or appropriately registered/ licensed trades person, as applicable, must provide documentation that all deficiencies have been acceptably corrected upon completion of repairs.

## SITE CONSIDERATIONS

## VC-1 Site Hazards and Nuisances

Check the appropriate response for readily observable evidence of hazards. Hazards, as defined below, are conditions that endanger the health and safety of the occupants and/or marketability of the property. Use these criteria to determine the extent of the hazard. Please refer to HUD Handbook 4150.2 Section 2-2 for unacceptable locations and the protocol in Appendix D of the Handbook for further guidance. If the required component is not visible during the site visit, provide a detailed comment.

Provide a description of yes responses on Page 4:

- a. Surface evidence of subsidence/sink holes  
☐ yes
- b. Operating oil or gas wells within 300 feet of existing construction  
☐ yes
- c. Operating oil or gas wells within 75 feet of new construction  
☐ yes
- d. Abandoned oil or gas well within 10 feet of new/existing  
☐ yes
- e. Readily observable evidence of slush pits  
☐ yes
- f. Excessive noise or hazard from heavy traffic area  
☐ yes
- g. New/proposed construction in airport clear zone  
☐ yes
- h. High-pressure gas or petroleum lines within 10 feet of property  
☐ yes
- i. Overhead high voltage transmission lines within engineering (designed) fall distance  
☐ yes
- j. Excessive hazard from smoke, fumes, offensive noises or odors  
☐ yes
- k. New/proposed construction in Special Flood Hazard Areas without LOMA or LOMR  
☐ yes
- l. Stationary storage tanks with more than 1000 gallons of flammable or explosive material  
☐ yes

## PROPERTY CONSIDERATIONS

Mark "Yes" for any readily observable deficiency noted below. Each "Yes" constitutes a limiting condition on the appraisal. Each condition requires repair or further inspection. These conditions must be satisfied prior to closing for the mortgage to be eligible for FHA mortgage insurance. Please refer to HUD Handbook 4150.2 Section 3-6 for guidance on HUD's General Acceptability Criteria. Also, refer to the protocol in Appendix E of the Handbook for repair and inspection requirement parameters.

## VC-2 Soil Contamination

Check the appropriate response for evidence of environmental contamination

Provide a description of yes responses on Page 4:

- a. On-site septic shows observable evidence of system failure  
☐ yes ☒ no
- b. Surface evidence of an Underground Storage Tank (UST)  
☐ yes ☒ no
- c. Proximity to dumps, landfills, industrial sites or other locations that could contain hazardous materials  
☐ yes ☒ no
- d. Presence of pools of liquid, pits, ponds, lagoons, stressed vegetation, stained soils or pavement, drums or odors  
☐ yes ☒ no

## VC-3 Grading and Drainage

Check the appropriate response for evidence of topographical problems:

Provide a description of yes responses on Page 4:

- a. Grading does not provide positive drainage from structure  
☐ yes ☒ no
- b. Standing water proximate to structure  
☐ yes ☒ no

## VC-4 Well, Individual Water Supply and Septic

Check the appropriate response with regard to individual wells and septic system.

Provide a description of yes responses on Page 4:

- a. Property lacks connection to public water  
☐ yes ☒ no
- b. Property lacks connection to a public/community sewer system  
☐ yes ☒ no

\*Lender will require water testing for "yes" response.

NOTE: Connection should be made to public or community water/sewage disposal system. Estimate distance to sewer or water hook-up and whether hook-up is practical.

## VC-5 Wood Destroying Insects

Check the appropriate response for evidence of wood infestation

Provide a description of yes responses on Page 4:

- a. Structure and accessory buildings are ground level and/or wood is touching ground  
☒ yes ☐ no
- b. The house and/or other structures within the legal boundaries of the property show obvious evidence of active termite infestation  
☐ yes ☒ no



Part 2: Comprehensive Valuation Package  
Valuation ConditionsDepartment of Housing  
and Urban Development  
Office of Housing  
Federal Housing CommissionerOMB Approval No. 2502-0538  
(exp. 11/30/99)Case Number: 251-2852439-703  
File Number: 329134**VC-6 Private Road Access and Maintenance***Check the appropriate response for evidence of Private Road Access and maintenance problems.***Provide a description of yes responses on Page 4:**

- a. Property inaccessible by foot or vehicle  
☐ yes ☒ no
- b. Property accessible only by a private road or drive\*  
☐ yes ☒ no
- c. Property is not provided with an all-weather surface (gravel is acceptable).  
☐ yes ☒ no

\*In all cases where a private road exists, submit evidence that:

(name of road)  
is protected by a permanent recorded easement (non-exclusive, non-revocable roadway, driveway easement without trespass from the property to a public street/road) and that there is an acceptable maintenance agreement recorded on the property.

**Provide a detailed description of the road's condition:****VC-7 Structural Conditions***Check the appropriate response for evidence of structural condition problems.***Provide a description of yes responses on Page 4:**Floor Support Systems

- a. Significant cracks  
☐ yes ☒ no
- b. Evidence of water leakage or damage  
☒ yes ☐ no
- c. Rodent infestation  
☐ yes ☒ no

Framing/Walls/Ceiling

- d. Significant cracks  
☐ yes ☒ no
- e. Visible holes in exposed areas that could effect structure  
☐ yes ☒ no
- f. Significant water damage  
☐ yes ☒ no

Attic

- g. Evidence of holes  
☐ yes ☒ no
- h. Support structure not intact or damaged  
☐ yes ☒ no
- i. Significant water damage visible from interior  
☐ yes ☒ no
- j. No ventilation by vent, fan or window  
☐ yes ☒ no

**VC-8 Foundation**

(Appraiser must have full access to these areas)

*Check the appropriate response for evidence of foundation/basement or crawl space problems.***Provide a description of yes responses on Page 4:**Foundation/Basement

- a. Inadequate access  
☐ yes ☒ no
- b. Evidence of significant water damage  
☐ yes ☒ no
- c. Significant cracks or erosion in exposed areas that could effect structural soundness  
☐ yes ☒ no

Crawl Space

- d. Inadequate Access  
☐ yes ☒ no
- e. Space inadequate for maintenance and repair (<18 inches)  
☐ yes ☒ no
- f. Support beams not intact  
☐ yes ☒ no
- g. Excessive dampness or ponding of water  
☐ yes ☒ no

**VC-9 Roofing***Check the appropriate response for evidence of all roofing problems.***Provide a description of yes responses on Page 4:**

- a. Does not cover entire house  
☐ yes ☒ no
- b. Evidence of deterioration of roofing materials  
☐ yes ☒ no
- c. Roof life less than two years\*  
☐ yes ☒ no
- d. Holes  
☐ yes ☒ no
- e. Signs of leakage observable from ground (i.e., missing tiles)  
☐ yes ☒ no
- f. Flat Roof\*\*  
☐ yes ☒ no

\*HUD/FHA requires that the roof have at least 2 years remaining life. If the roof has less than 2 years remaining life, then the appraiser must call for re-roofing or repair. The condition must clearly state whether the subject is to be repaired or re-roofed. FHA will accept a maximum of 3 layers of existing roofing. If more than 2 layers exist and repair is necessary, then all old roofing must be removed as part of the re-roofing.

\*\*All flat roofs require inspection.

**VC-10 Mechanical Systems**

(All utilities must be turned on at time of appraisal, if possible)

*Check the appropriate response for evidence of mechanical system problems.***Provide a description of yes responses on Page 4:**Furnace/Heating System

- a. Unit does not turn 'On'  
☐ yes ☒ no
- b. Warm air is not emitted  
☐ yes ☒ no
- c. Unusual or irregular noises are heard  
☐ yes ☒ no
- d. Smoke or irregular smell is emitted  
☐ yes ☒ no
- e. Unit shuts down prior to reaching desired temperature  
☐ yes ☒ no
- f. Significant holes or deterioration on the unit(s)  
☐ yes ☒ no

Air Conditioning (central)

- g. Unit does not turn 'On'  
☐ yes ☒ no
- h. Cold air is not emitted  
☐ yes ☒ no
- i. Irregular noises are heard  
☐ yes ☒ no
- j. Smoke or irregular smell is emitted  
☐ yes ☒ no
- k. Unit shuts down prior to reaching desired temperature  
☐ yes ☒ no
- l. Significant holes or deterioration on the unit(s)  
☐ yes ☒ no

Part 2: Comprehensive Valuation Package  
Valuation ConditionsDepartment of Housing  
and Urban Development  
Office of Housing  
Federal Housing CommissionerOMB Approval No. 2502-0536  
(exp. 11/30/99)Case Number: 251-2652439-703  
File Number: 329134**Electrical System**

m. Electrical switches do not turn 'on' or 'off' (check representative sample)

☐ yes ☒ no

n. Outlets do not function (check representative sample)

☐ yes ☒ no

o. Presence of sparks or smoke from outlet(s)

☐ yes ☒ no

p. Exposed wiring visible in living areas

☐ yes ☒ no

q. Frayed wiring

☒ yes ☐ no**Plumbing System****Toilet**

r. Toilets do not function

☐ yes ☒ no

s. Presence of leak(s)

☐ yes ☒ no**Leaks**

t. Structural damage under fixtures

☐ yes ☒ no

u. Puddles present

☐ yes ☒ no**Sewer System**

v. Observable surface evidence of malfunction

☐ yes ☒ no**Sinks**

w. Basin or pipes leak

☐ yes ☒ no

x. Water does not run

☐ yes ☒ no**Water**

y. Significant drop or limitation in pressure

☐ yes ☒ no

z. No hot water

☐ yes ☒ no**VC-11 Other Health and Safety Deficiencies**

Check the appropriate response for evidence of health and safety deficiencies.

Provide a description of yes responses on Page 4:

a. Multiple Broken windows

☐ yes ☒ no

b. Broken or missing exterior stairs

☐ yes ☒ no

c. Broken or missing exterior doors

☐ yes ☒ no

d. Inadequate street entrances or exits

☐ yes ☒ no

e. Steps without handrails

☐ yes ☒ no

f. The mechanical garage door does not reverse or stop when meeting reasonable resistance during closing

☐ yes ☒ no

g. Please identify location of all health and/or safety deficiencies, and note others not included in this or any other VC on the comment page

**VC-12 Lead Based Paint Hazard**

For any home built prior to 1978, check for evidence of defective paint surfaces, including: peeling, scaling or chipping paint:

Provide a description of yes responses on Page 4:

a. Evidence on interior

☐ yes ☒ no

b. Evidence on exterior

☐ yes ☒ no

Year built: 1900

If the home was built before 1978, this may indicate a lead paint hazard. For all FHA insured properties, the seller is required to correct all defective paint in or on dwelling units built before January 1, 1978 in accordance with 24 CFR Part 35.

**VC-13 Condominiums and Planned Unit Developments (PUD)**

Provide a description of yes responses on Page 4:

a. This project is not on FHA's approval list

☐ yes ☒ no

b. The property does not meet owner-occupancy standards

☐ yes ☒ no

c. This property does not meet completion standards.

☐ yes ☒ no**ADDENDA**

A. Provide the current full/market assessed value:

\$ 176,100

B. Provide a summary of estimated repair costs:

\$ 10,000 ESTIMATED

Please attach any additional information/reports and give number of attached pages.

Public reporting burden for the collection of information is estimated to average 30 minutes to complete the Comprehensive Valuation Package. This includes the time for reviewing the associated Handbook and reporting the data. This does not include the requisite market research or the appraisal process. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

Privacy Act Notice: This information is required for the U.S. Department of Housing and Urban Development to endorse a single family mortgage and is used for underwriting purposes. The collection of this information is necessary to comply with HUD's Home Buyer Protection Plan. The information may be made available to a federal agency for review. This information is not confidential and will be made available to the public.

Case Number: 251-2652439-703  
File Number: 329134

### Description of Responses and Related Comments

[illegible]

**Part 3: Comprehensive Valuation Package  
Homebuyer Summary**

 Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

 OMB Approval No. 2502-0638  
(exp. 11/30/99)

 Case Number: **251-2652439-703**  
File Number: **329134**

 Property Address: **1-3 CHILSON AVENUE** City: **MANSFIELD** State: **MA** Zip Code: **02048**
**Important**
**NOTICE TO THE HOMEBUYER**
**Read Carefully**

As part of our job insuring the mortgage for the lender, the FHA requires the lender to conduct an appraisal for:

- estimate the value of your potential new home
- make sure it meets *minimal* FHA standards
- ensure that it will be marketable

*Appraisals are different from home inspections. Home inspections give more detailed information about your potential new home.*

This report is a summary of the observations of an appraiser who visited the property. If there was a problem, the appraiser answered "YES" under "Problem".

If any condition is marked **yes**, this means that the property you want to buy does not currently meet FHA's Minimum Property Standards. Until this condition is resolved, your lender may not provide you with an FHA insured loan consistent with FHA procedures.

You should speak to your lender about how this situation needs to be handled. You should also make sure that you are confident that the physical condition of this property meets all of your expectations.

For a copy of the full appraisal, contact your lender.

If you have any questions, call us at 1-800-568-4287.

Physical Condition	Problem (Y)	Comments
Site Hazards		
Soil Contamination		
Grading and Drainage Problems		
Well, Individual Water Supply and Septic Problems		
Wood Destroying Insects	Y	SUBJECT TO WOOD DESTROYING INSECT INSPECTION
Private Road Access and Maintenance Problems		
Structural Deficiencies	Y	WATER DAMAGE IN BATH FLOOR ON 1ST LEVEL NORTH UNIT
Foundation Deficiencies		
Roofing Deficiencies		
Mechanical Systems Problems	Y	KNOB & TUBE WIRING SYSTEM
General Health and Safety Deficiencies		
Deteriorated Paint		

The conditions listed above are reflected on the Valuation Conditions Form (Part 2 of the Comprehensive Valuation Package) of this appraisal. The lender is required to transmit this **Notice to the Homebuyer** form to the buyer at least five business days prior to the loan closing.

X \_\_\_\_\_  
FHA Roster Appraiser Signature

MA2236

6-26-01

ID Number Valuation Date

Homebuyer acknowledges receipt of Part 3: Summary:

X \_\_\_\_\_

X \_\_\_\_\_

Homebuyer(s) Signature(s):

Date Received

PHH 0286

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

251-2852439-703  
329134  
OMB Approval No: 2502-0538  
(exp. 11/30/99)

## For Your Protection: Get a Home Inspection

Name of Seller CHILSON AVE REALTY TRUST

Property Address: 1-3 CHILSON AVENUE

MANSFIELD, MA. 02048

### What the FHA Does for Buyers... and What We Don't Do

**What we do:** FHA helps people become homeowners by insuring mortgages for lenders. This allows lenders to offer mortgages to first-time buyers and others who may not qualify for conventional loans. Because the FHA insures the loan for the lender, the buyer pays only a very low down-payment.

**What we won't do:** FHA does not guarantee the value or condition of your potential new home. If you find problems with your new home after closing, we can not give or lend you money for repairs, and we can not buy the home back from you.

That's why it's so important for you, the buyer to get an independent home inspection. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

### Appraisals and Home Inspections are Different

As part of our job insuring the loan, we require that the lender conduct an FHA Appraisal. An appraisal is different from a home inspection. Appraisals are for lenders; home inspections are for buyers. The lender does an appraisal for three reasons:

- to estimate the value of a house
- to make sure that the house meets FHA minimum property standards.
- to make sure that the house is marketable

Appraisals are not home inspections.

I understand the importance of getting an independent home inspection. I have thought about this before I signed a contract with the seller for a home.

X  
\_\_\_\_\_  
Signature & Date

X  
\_\_\_\_\_  
Signature & Date

This form was produced on the ACI Development RapidForm system (800)234-9277

high point rpa

Form HUD-92584-CN  
(8/99)

### Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information than an appraisal--information you need to make a wise decision. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

- evaluate the physical condition: structure, construction, and mechanical systems
- identify items that need to be repaired or replaced
- estimate the remaining useful life of the major systems, equipment, structure, and finishes.

### What Goes Into a Home Inspection

A home inspection gives the buyer an impartial, physical evaluation of the overall condition of the home and items that need to be repaired or replaced. The inspection gives a detailed report on the condition of the structural components, exterior, roofing, plumbing, electrical, heating, insulation and ventilation, air conditioning, and interiors.

### Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the Appraiser's judgment.

#### STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

**CONTINGENT AND LIMITING CONDITIONS:** The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. ~~The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title.~~ The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. ~~The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question; unless specific arrangements have been made beforehand.~~
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.



251-2852439-703  
File No. 329134**APPRAISERS CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I hereby certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

**SUPERVISORY APPRAISER'S CERTIFICATION:** If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

**ADDRESS OF PROPERTY APPRAISED:** 1-3 CHILSON AVENUE, MANSFIELD, MA. 02048

**APPRAISER:**

Signature: [Signature]  
 Name: JOHN G. PACHECO  
 Date Signed: JULY 11, 2001  
 State Certification #: \_\_\_\_\_  
 or State License #: 2236  
 State: MA  
 Expiration Date of Certification or License: 9-2001

**SUPERVISORY APPRAISER (only if required)**

Signature: [Signature]  
 Name: GARY FREITAS  
 Date Signed: JULY 11, 2001  
 State Certification #: 328  
 or State License #: \_\_\_\_\_  
 State: MA  
 Expiration Date of Certification or License: 2-2002

☐ Did ☒ Did Not Inspect Property

**SUBJECT PROPERTY PHOTO ADDENDUM**

Borrower: MENDES, Anthony & Doris		File No.: 329134
Property Address: 1-3 CHILSON AVENUE		Case No.: 251-2852439-703
City: MANSFIELD	State: MA.	Zip: 02048
Lender: CENDANT MORTGAGE #15775950		

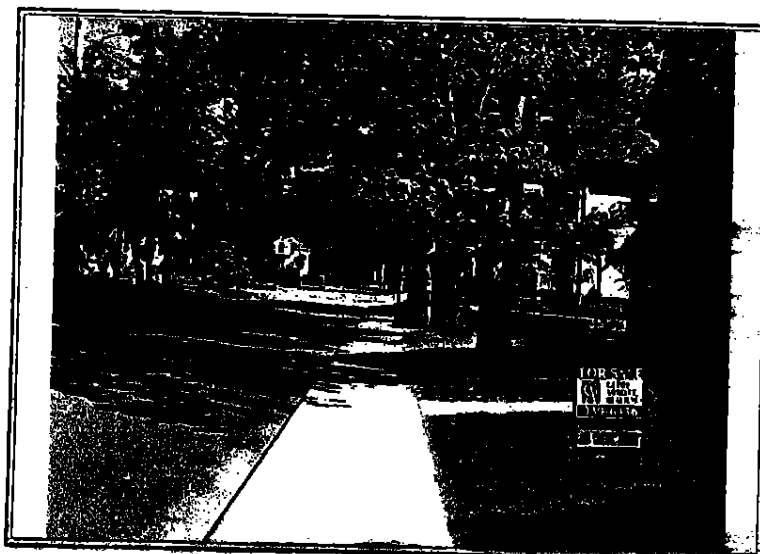


**FRONT VIEW OF  
SUBJECT PROPERTY**

Appraised Date: June 28, 2007  
Appraised Value: \$ 305,000

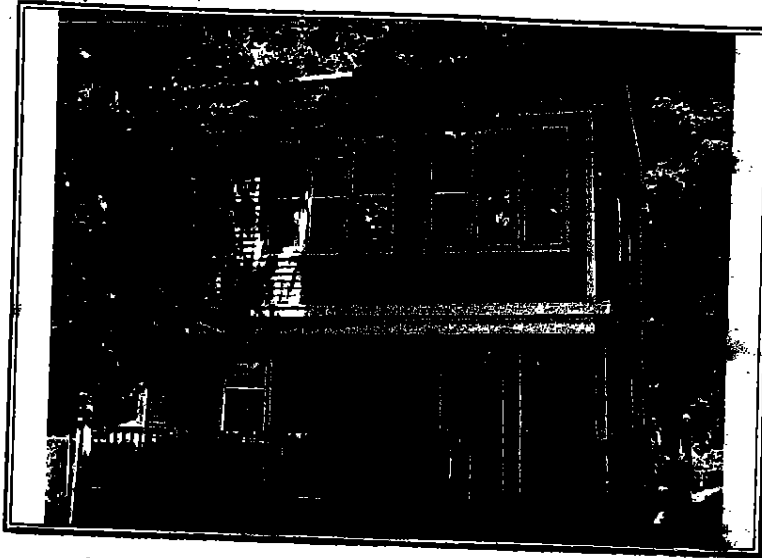


**REAR VIEW OF  
SUBJECT PROPERTY**



**STREET SCENE**

Borrower: MENDES, Anthony & Doris		COMPARABLE PROPERTY PHOTO ADDITION	
Property Address: 1-3 CHILSON AVENUE		File No.: 329134	
City: MANSFIELD		Case No.: 251-2852439-703	
Lender: CENDANT MORTGAGE #15776950		State: MA.	Zip: 02048



**COMPARABLE SALE #1**

39-43 WEST STREET  
MANSFIELD  
Sale Date: 4/2/01 CLD  
Sale Price: \$ 281,000



**COMPARABLE SALE #2**

162 CENTRAL STREET  
MANSFIELD  
Sale Date: 11/7/00 CLD  
Sale Price: \$ 200,000



**COMPARABLE SALE #3**

89 CHURCH STREET  
NORTH ATTLEBORO  
Sale Date: 1/3/01 CLD  
Sale Price: \$ 288,500

**Lender: CENDANT MORTGAGE #15775950**

[illegible]

## FLOORPLAN

Borrower: MENDES, Anthony &amp; Doris

File No.: 329134

Property Address: 1-3 CHILSON AVENUE

Case No.: 251-2652439-703

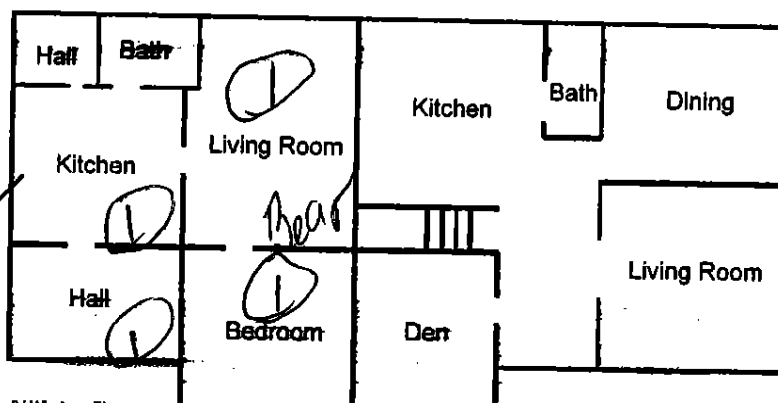
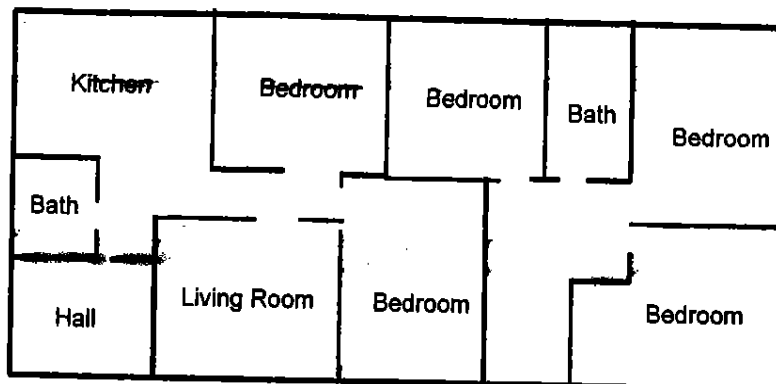
City: MANSFIELD

State: MA.

Zip: 02048

Lender: CENDANT MORTGAGE #15775950

NOT DRAWN TO SCALE



Sketch by Apex IV Windows™

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals

AREA BREAKDOWN	
Breakdown	Subtotals

## LOCATION MAP

Borrower: MENDES, Anthony &amp; Doris

File No.: 329134

Property Address: 1-3 CHILSON AVENUE

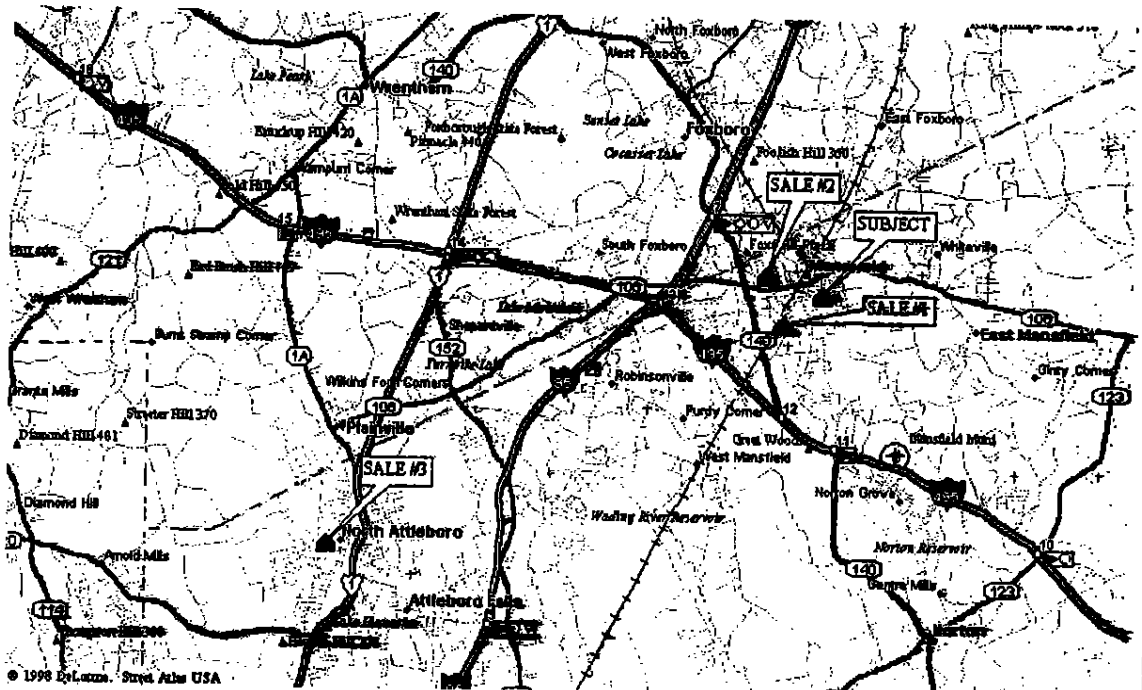
Case No.: 251-2852438-703

City: MANSFIELD

State: MA.

Zip: 02048

Lender: CENDANT MORTGAGE #15775950







FLOOD HAZARD INVENTORY MAP R-01-03  
FLOOD INSURANCE RATE MAP 1-01-03

TOWN OF MANSFIELD,  
MASSACHUSETTS  
BRISTOL COUNTY

PANEL H&I-02

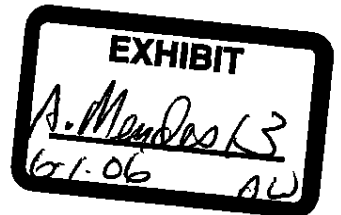
PAGE 2 OF 3 PRINTED

EFFECTIVE DATE:  
APRIL 1, 1977

COMMUNITY NUMBER:  
290057A



U.S. DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT  
FEDERAL INSURANCE ADMINISTRATION



**GERRY ABBOTT INC., REALTORS®**  
261 CHAUNCY STREET MANSFIELD, MA 02048  
ESCROW ACCOUNT

2300

53-7146/2113

DATE 9/26/01THE  
ER OF Doris and Anthony Mendes\$ 9,000.00Nine Thousand

00

100

DOLLARS

Security features  
included  
Details on back

**NORTH EASTON**  
SAVINGS BANK

"Your Family Financial Service Center"

OFT-1-3 Chilson Ave, Mansfield.

⑈002300⑈

⑆211371463⑆

27

300905⑈

MP



**GERRY ABBOTT INC., REALTORS®**  
261 CHAUNCY STREET MANSFIELD, MA 02048  
ESCROW ACCOUNT

2302

53-7146/2113

DATE 9/26/01THE  
ER OF Gerry Abbott Inc. Realtors.\$ 6,125.00Six Thousand One Hundred Twenty Five

00

100

DOLLARS

Security features  
included  
Details on back

**NORTH EASTON**  
SAVINGS BANK

"Your Family Financial Service Center"

1363 East Street Mansfield.

⑈002302⑈

⑆211371463⑆

27

300905⑈

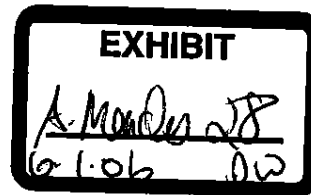
MP



Cendant Mortgage  
3000 Leadenhall Road  
Mount Laurel, NJ 08054

Date: October 2nd, 2001  
Customer(s): Anthony P Mendes, Doris Mendes

Address: 171 BRIDGE ST  
DEDHAM, MA 02026  
Product: 30 yr FHA Fixed (880)



Dear Anthony P Mendes, Doris Mendes

We have thoroughly reviewed your mortgage application. We are sorry to inform you that we are unable to approve your loan at the time for the following reason(s):

Other Property does not meet FHA guidelines *(Handwritten signature)*

A credit report was obtained in connection with your credit request from one or more of the following consumer reporting agencies:

Name:	First American Credco	Equifax Mortgage Services	CBC Companies
Address:	9444 Balboa Avenue, Suite 500 San Diego, CA 92123	6 E. Clementon Road Gibbsboro, NJ 08026	520 E. Main Street Carnegie, PA 15106
Phone Number:	(800) 637-2422	(800) 333-0037	(800) 698-1730

You have a right under the Fair Credit Reporting Act to know the information contained in your credit file at the consumer reporting agency. *The reporting agency played no part in our decision and is unable to supply specific reasons why we have denied credit to you.* You also have a right to a free copy of your report from the reporting agency, if you request it no later than 60 days after you receive this notice. In addition, if you find that any information contained in the report is inaccurate or incomplete, you have the right to dispute the matter with the reporting agency.

In addition, we may have obtained information from an affiliate or from an outside source other than a consumer reporting agency. Under the Fair Credit Reporting Act you have the right to make a written request no later than 60 days after you receive this notice, for disclosure of the nature of the information.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is:

Federal Trade Commission  
Equal Credit Opportunity  
Washington, DC 20580

Thank you for the opportunity to serve you. If you have any further questions, please do not hesitate to call either of us.

Sincerely,

*Kevin Cogan*  
Kevin Cogan  
Mortgage Counselor  
(800) 236-3268 ext. 87806

Michael Marsh  
Senior Counselor  
(800) 236-3268 ext. 87887